Sport.

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lay January 16,



Gene genie

'It was too late. We were on a journey into a rapidly evolving future that no one could stop



Take Manhattan

We're doing antidepressant aromatherapy lipstick and aroma colour bath (no bubbles, just pure colour energy)'

Page XII



FT Weekend



Boy wonder

'I have posters of Agassi at home. I can't believe I shall be on the same court us him

Page XVIII-

FI Property



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JANUARY 17 / JANUARY 18 1998 http://www.FT.com Private sector debt problem intensifies with rupiah at 8,200 to the dollar

IMF deal fails to ease crisis in Indonesia

By Peter Montagnon and

Indonesia's \$80bn private sector debt crisis has intensified after Rp2.600. Thursday's International Monetary Fund rescue package failed to restore confidence in the rupiah, senior bankers and diplomats said yesterday.

"I'm still convinced there will be a debt moratorium, but it will be done in an orderly way with the appointment of national negotiating groups for foreign lenders," said Neil Saker, regional economist with SocGen-Crosby.

"It has to happen soon, we are close to total collapse," said a that hit almost every vested leading European banker who declined to be identified.

rupiah fell as low as Rp9,000 to the dollar yesterday, although it recovered to close slightly firmer on the day at 8,200. Bankers say

Rp4,000 before the private sector debt becomes manageable. When the crisis struck last August, the dollar was worth about

Dealers blamed the failure of the rescue package to address the country's debt problem as well as political uncertainties for the rupiah's failure to rise. However, the stock market took heart from the package with shares rising almost 7 per cent, although some dealers detected buying by government-owned brokers

The IMF and World Bank are wringing their hands at the rupiah's response to what they thought was a tough package interest in Indonesia, said one diplomat familiar with the IMF They were speaking after the negotiations. "Virtually everyone agrees that the debt needs a solution, and needs one quickly."

But neither institution has a well-thought out solution for



Indonesian demonstrators demand democracy and cheap food as the debt crisis continues Reserv

he said. There is a general reluctance to use public funds to bail out private lenders, but there is a growing perception in the market that the liquidity squeeze facing Indonesia cannot be overcome while the private sector faces a massive debt service burden.

Manufactured exports are drying up because companies cannot obtain working capital or letters of credit to finance imported inputs, bankers said.

Market estimates of debt fall-

almost \$60bn. Indonesia's IMF programme suggests a lower figure of \$20bn for short-term debt. but economists close to the government say this does not include commercial paper and other offshore borrowings which bring the total bill up to \$29bn.

Mr Saker said he believed Indonesia could propose a solution such as the Chile's government-sponsored rescheduling of Lending banks have a weak hand the rate needs to return to about dealing with private sector debt, ing due this year range up to while Indonesia has no effective

bankruptcy laws, he said. Bankers said there was also scepticism about Thursday's announcement that the central bank was to become independent. because its governor is appointed by the president, is a member of the cabinet and subject to influence by the finance ministry.

> Malaysia urged to raise interest rates, Page 2 Editorial Comment, Page 6 Currencies, Page World stocks, Page 21

Stockholm ice palace artists lose their cool

Europe's new cultural capital feels the heat as flagship pavilion melts

By Tim Burt in Stockholm

Barbro Behm took off her gloves and ran her hands across the ice. Even now it is sweating. It will all melt – there is just too much dirt in it." she said.

The sculptor, one of eight artists working inside Stockholm's first art gallery built entirely from snow and ice, yesterday expressed doubts the 200 sq m igloo would survive long enough to become one of the flagship venues of Stockholm '98, marking the city's year as cultural capital of Europe.

Sweden's mildest winter since 1920 has left the ice pavilion, beached white whale on the muddy Stockholm quayside.

A conspicuous lack of snow and temperatures stubbornly above zero bave forced the building's designers to look elsewhere for their raw material.

More than 100 tonnes of ice has been trucked down from the Arctic Circle to support the structure, and snow and ice have been scraped from the city's hockey rinks to pack it all together.

complete their own works of ice. agement of its year as city of of debate about global warming inquiries by the European Comand I am afraid it might not last mission and Greek government as long as we had hoped," said into how its grant aid was spent. Mats Widbom, programme co-ordinator for architecture and SKr460m (\$57.5m), has to prodesign at Stockholm '98.

The unseasonably warm weather, moreover, has persuaded the organisers to find a

of Stockholm's year as cultural capital. Instead of a Nordic celebration of ice and snow, the ice pavilion is being hailed as an example of technical ingenuity overcoming environmental obstacles.

About 5km of frozen pipes have been inserted into the walls, helping to keep the temperature inside the pavilion between -2°C and -5°C.

Snow gathered 30 miles away in Sandviken has been packed on the roof and the whole edifice wrapped up in polythene before today's official opening.

"In the worst-case scenario, we expected the temperature to be due to open today, looking like a around zero. But it has been warmer than anyone can remember," said to Mr Widbom.

Some commentators in Stockholm regard the frantic activity around the ice pavilion - due to sit in Kungstradgarden park for a month - as an ominous sign for the cultural year.

"The eyes of Europe are on us and we have to show that we can pull this off successfully," said one newspaper columnist.

The pressure has increased on Stockholm to revitalise the con-Yesterday, 30 architecture cept of a European cultural capistudents were brought in to tal following criticism of Thessashovel snow against the outside loniki, the Greek city that held

"It has prompted a great deal culture has been the subject of

"Stockholm, with a budget of duce a better-than-average performance," said one European diplomat in Stockholm. "The heat is on in more ways new theme for the jaunch project than one."

Chernomyrdin stakes strong claim as Yeltsin heir

By John Thornhill in Moscow

Apatol Es

Victor Chernomyrdin, Russia's prime minister, vesterday staked a strong claim to succeed Borls Yeltsin as president by consoli- argued the changes, approved by dating his grip over his cabinet the president, represented an through a significant reshuffle. Brushing aside rumours of illhealth. Mr Chernomyrdin, a former gas industry boss, regained had taken the decision either to

oversight of the fuel and energy ministry, previously supervised by Boris Nemisov, first deputy

Mr Chernomyrdin clipped the

portfolio of Anatoly Chubais, the institute, said the reshuffle Mr Nemtsov have been left to minister's growing influence, Mr sion of the finance ministry. The Izvestiya newspaper

unprecedented strengthening of the authority of the prime minister. It speculated that Mr Yeltsin stand for a third term or name Mr Chernomyrdin as his heir, Boris Makarenko, a political

analyst at the Centre for Political Technologies, a Moscow-based

Mr Chubais might be dismissed after becoming embroiled in a book publishing scandal.

"This is a definite indication of disappointment by Chernomyrdin and the president at the attempts of the young reformers to unleash reforms too quickly, Mr Makarenko said. "Such reforms appear not to be

Nevertheless, Mr Chubais and

other young first deputy prime stripped the two young reformers manage important technical Chernomyrdin announced he minister, and took over supervi- of much of their influence. There reforms. Mr Chubais said he would assume a more active role walls while sculptors struggled the accolade in 1997. would co-ordinate efforts to raise additional revenue for the budget, adding that, without "a radical improvement of affairs in this area, we will not be able to solve anything".

Mr Nemtsov, who, as energy minister, antagonised Gazprom, the gas company, will concentrate on the politically unpopular fields of housing, transport and

electricity reform. In a further sign of the prime in managing the government's inside against the elements to media relations, stripping Mr Chubais of this responsibility. Gazprom, which has amassed significant media holdings, said this week it would marshall support for the government.

The prime minister confirmed reports he had undergone recent medical tests but dismissed reports he had been taken ill on his return from a trip to central Asia this week.

Business News. General **US and Britain press Iraq** Seagate to cut workforce

The US and Britain stepped up pressure on Iraq after France and Russia, which want to see the lifting of sanctions, sought to dilute the American presence in the United Nations weapons-monitoring mission. Scott Ritter, the American whom Iraq has accused of being spy, yesterday left Baghdad with his inspection team a day early after being blocked from working for two days. Page 3

China announces banking reforms: China unveiled sweeping

reforms of its debt-burdened banking sector aimed at "commercialis-

ing" banks by 2000 and avoiding a south-east Asian-style financial cri-

sis. Beiling also indicated that it would ease credit selectively for bousing, infrastructure, agriculture and small businesses to stimulate an economy which is slowing. Page 2; Lex, Page 24 Pope and Castro agree to differ: On Wednesday the Pope, whose reputation as an anti-communist crusader still shadows him, will visit communist Cuba, island fiefdom of President Fidel Castro. Cuba and the Vatican have gone out of their way to damp specula-

tion that the Pope may seek to persuade Mr Castro to dump commu-

nism. This is a pastoral, not a political, visit, they say. Page 3 Clinton makes legal history: Today, Bill Clinton will become the first incumbent US president to testify as a defendant in a court case. He will be answering a claim by Paula Corbin Jones that he sexually harassed her in 1991, when he was governor of Arkansas. The proceedings may mark the point of no return on a path to a full trial planned for May. Page 4

Man in the News General in his labyrinth Chiefs government happed that General Augusti Problem regions decorously when he finish residued after menty a context granted as any commender. But parts to peak the Withdrawal from the military land gain sales with the departure has been relayed, peaking the country land a sentimental grant gain.

Seagate Technology, the world's largest independent maker of disk drives, will cut 10,000 jobs, about 10 per cent of its workforce, in an attempt to stem mounting losses. Most of the job losses will be in

Asia. The company's problems stem largely from competition for

high-capacity disk drives. Analysts say it has been losing market share to IBM, Fujitsu, Maxtor and Samsung. Page 24 Asian problems hit Deutsche Telekom: German telecoms company Deutsche Telekom is to make provisions of up to DM750m (\$412m) in its 1997 results to cover the impact of south-east Asia's financial upheavals. The group reported annual after tax income of

DM3.3bn, according to preliminary estimates, at least DM1bn lower

than market forecasts. Page 24 Sallor-turned tycoon looks overseas: Within a decade, Tony Shen Ch'ing-ching, 50, self-made sailor-turned-tycoon, has built his Core Pacific group into one of Taiwan's top 10 conglomerates. With the purchase of Yamaichi Hong Kong, he is piloting the group overseas and plans initially to develop its securities business in Asia, especially China and Japan. Page 23

Wall Street follows Tokyo recovery in pre-holiday trading The US stock market warmed up for the Martin Luther King holiday on Monday by rallying strongly in response to the recovery in the Tokyo market. An hour before its close, the Dow Jones Industrial Average was about 90 points higher at 7.781. While the market recovered from its sharp initial fall on Monday, it was plagued all week by fears that the Asian economic cri-

sis would have adverse effects on corporate profits. London stocks, Page 17; World stocks, Page 21; Markets, FT Weekend Page XX

k on new track: After spending hundreds of millions of dollars slugging it out with its rival Nike to sign sponsorship deals with basketball stars, US sportswear group Reebok is switching to custom-made shoes and older customers, and away from mass-producing \$200 sports shoes for kids. Page 6

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recent years with remarkably little risk. Investors only hear about emerging currencles when there is a crisis -Mexico in 1994: South East Asia in 1997 - and assume that all emerging currencies behave in the same way. In fact, a basket of emerging currencies has exhibited significantly less downside risk than global equities and even global bonds.

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China plans to make its banks 'commercial'

By Tony Walker in Beijing

reforms of its debt-burdened banking sector aimed at "commercialissouth-east Asian-style financial cri-

Beijing also indicated it would infrastructure, agriculture and small businesses to stimulate an economy which is slowing.

governor, said the authorities were committed to bringing Chinese banks into line with international practice by imposing Bank for International Settlements standards on management of loans.

Mr Dai said China would accelerate write-offs of bad debts to banks of efforts to build a "modern finan-

Lax controls on lending to stateowned enterprises have left the "big four" state-owned commercial banks with a mountain of bad debt which is one of the main barriers to reform of the financial sector.

month on financial sector reform China yesterday unveiled sweeping had provided a springboard for a more concerted effort to modernise an antiquated financial system ing" banks by 2000 and avoiding a which is proving a drag on economic development.

He said priorities included the establishment of commercial banks ease credit selectively for housing, in 300 cities to provide financing for local business which was starved of funds. Unwieldy stateowned banks would be required to Mr Dai Xianglong, central bank close money-losing smaller branches

The central bank itself would be subjected to reform with the elimination of provincial-level branches and the establishment of regional offices similar to the US Federal

Mr Dai also: to clean up balance sheets as part Ruled out a devaluation of the yuan. China's economy was strong with a healthy balance of payments and exports would remain competitive

■ Defended the Hong Kong dollar "peg". The Hong Kong dollar was "healthy" and foreign reserves were sufficient to defend it. Mr Dai made it clear that a 🔳 Said China had no plans for

national conference held last another interest rate cut. Rates have been cut three times since May 1996.

■ Made it clear south-east Asia's financial crisis would slow prog-ress towards full convertibility of

Mr Dai pledged an "appropriately tight" monetary policy for 1998, but he also indicated that credit cellings would be lifted to encourage greater lending to key areas such as agriculture.

He also revealed plans to develop mortgage lending to "foster a housing market". "Mortgage business will be

expanded to cater to the needs of more customers and credit ceilings imposed on lower-cost housing will be removed," he said. However, greater efforts would

be made to restrict loans to "luxury real estate projects" to prevent "bubble elements" in the economy. A programme for a mortgage finance system for medium and lower-cost housing is a long overdue reform and one which is designed to stimulate economic



Dai Xianglong makes a joke at his press conference yesterday

Camdessus acknowledges measures taken by authorities to keep turmoil at bay

Malaysia urged to raise interest rates increases

in Kuala Lumpur

Michel Camdessus, managing director of the International Monetary Fund, said that while Malaysia was correct in saying it did not need an IMF rescue package to get it through the regional financial crisis, the authorities should raise interest rates to slow credit growth, moderate inflationary pressures and provide support to the weakening

"Malaysia is not facing a crisis in the same way as some of the other countries in the region," he said, noting that the authorities have taken important measures to

By Matej Vipotnik in Tallinn

The Baltic leaders who met

US President Bill Clinton

vesterday and signed a secu-

rity agreement that is intended to consolidate their

countries' independence,

A decade ago, their move-

ment for freedom from the

Soviet Union was only begin-

ning to gather steam. Eston-

ia's Lennart Meri, a film-

tual's brow, was head of the

The pro-independence

wing of the Lithuanian Com-

local writers' union.

have come a long way.

and Bruce Clark

in Washington

Asia's financial crisis will become much more severe if other countries respond to a sharp rise in exports from the region by closing their markets, Renato Ruggiero, director-general of the World Trade Organisation, said yesterday, Guy de Jonquières writes from London.

The crisis created a "pressing need" to resist protectionist pressures, he said in London. "What must be avoided at all costs is a vicious circle of economic reactions and counter-actions leading to wider and deeper

particularly on the fiscal there needed to be further side. He cited the austerity strengthening of policies, package announced in especially monetary, "Credit December that included cut- growth has been excessively ting government expenditure rapid for the past two

Nevertheless, given the annualised rate of 30 per continued volatility of the cent and now at 27.5 per

whose oxen physique is

ers in his Soviet republic

with laundry services and

political milestone, Mr Clin-

ton formally endorsed the

three Baltic leaders' desire

The charter he signed

cial from Chicago.

television repairs.

Higher east Asian exports, because of currency devaluations and the need to finance external debts, would increase pressure on sensitive sectors in advanced economies and pose a competitive challenge to other developing countries, he said. Stronger worldwide trade rules made a

years," first growing at an

Baltic leaders sign US security accord

his country's presidency to a they can contribute to Nato three republics on a fast

The charter marks the cul-

Last July's Nato summit

in Madrid dashed Baltic

with those of Romania and

Slovenia, but promised a

commits Washington to help invited Estonia to join in the with Russia. The Russians

western institutions.

by Algirdas Brazauskas, existing allies who fear the

ical stage as he hands over states should join only when

former environmental offi- as well as benefit from it.

Guntis Ulmanis, the Lat- mination of a year in which

vian president, used to be the Baltic states have moved

head of a government to the doorstep, though not

agency that provided work- through the door, of key

But yesterday, in a geo- hopes of early entry, along

to become members of Nato. early next century.

widespread return to 1930s-style protectionism unlikely. But Mr Ruggiero was concerned about the risk of "creeping protectionism", if countries resorted to increased use of measures such as anti-dumping actions to restrict imports.

about to lumber off the politi- down, it insists the Baltic region in geopolitical limbo. rity guarantees".

With loans at 170 per cent of gross domestic product, he said, Malaysia had "one of the highest ratios in the

> Malaysia has resisted raising rates for fear of pushing companies already feeling the pressures of the regional

western bloc will be watered avoid leaving the Baltic offered the Balts "joint secu-

had urged the EU to put all

Yesterday's security

understanding is unofficially

viewed in Washington as an

interim arrangement, pend-

ing bolder moves by the EU

to incorporate all three into

But the efforts of both the

reach out to the Balts have

been made noticeably easier

The European Union has the three republics' relations ers who gathered in Wash-

US and the Europeans to sian "bear".

track to membership.

behind. US officials, keen to ethnic kin, and repeatedly

cially since last autumn, in reviving, But the Baltic lead-

slowdown into bankruptcy. But Mr Camdessus said he perceived that the authorities were ready to tighten monetary policy. In recent weeks, they have announced a restructuring of the financial sector that involves merging financing companies, as well as some commercial banks, by the end of

the first quarter. Mr Camdessus said while he was pleased the authorities were trying to consolidate Malaysia's financial sector, he wanted to see results of its efforts. "I am not a mergers addict," Mr Camessus said. "Mergers can be the best, or the worst, of things. They can weaken the best and lose a good occasion to punish the worst."

For their part, Baltic gov-

ernments have been less stri-

dent in references to mili-

tary aspects of Nato

membership. There is more

public talk in government

circles in Tallinn, Riga and

Vilnius about economics,

currency boards and EU

defences to ward off the Rus-

accession than beefing up

Russia's economic relationship with the Baltic

region has been steadily

ington vesterday still differ

cost of borrowing

India vesterday raised interest rates by two percentage points in a bid to halt the slide in the rupee which fell to an all-time low against the US dollar earlier in the week. The announcement came after the close of trading. But rumours of an interest rate rise helped to make the rupee stronger than Rs40 to the dollar, closing at Rs39.90.

markets...and recent inter-

national developments". bank rate from 9 per cent to 11 per cent, and the fixedmunist party was being led alliance. But in a sop to Lithuania a little further ments' treatment of their | rate reportate from 7 per cent to 9 per cent. It also increased the cash reserve

> to drain liquidity from the The bank meanwhile

import finance. sure that India does not go east Asian countries," said investment officer at Sun

The rupee has now lost

correction. a matter of weeks. This now

seems unlikely. But India's stock markets are expected to fall today on fears that the rise in interest ile economic recovery.

The Reserve Bank of India (RBI) said it was raising interest rates "on a review the current status of foreign exchange

The RBI increased the ratio by 50 basis points to 10.5 per cent in an attempt

banking sector. announced steps to encourage exporters to repatriate dollar earnings and discourage imports - including a cut in the export refinance limit and a doubling of the interest rate surcharge on

"They are trying to make the same way as the south-Gul Teckchandani, chief F&C asset management.

about 10 per cent of its value against the dollar since August. In the absence of forward speculation which is illegal in India – the decline bas taken the form of a slow-motion free-fail rather than a sharp

The Reserve Bank has spent about \$2.5bn to slow the fall, and raised interest rates in December in an earlier attempt to halt it. After the rupee fell below Rs40 to the dollar on Wednesday for the first time traders said it could fall to Rs48 or Rs45 in

prepare the Baltic trio for first wave of ex-communist have toned down their criti- sharply from Russia in their participation in the Atlantic entrants, and left Latvia and cism of the Baltic govern- vision of the future. Danes criticised over Faeroes bank

"second wave" of expansion by a remarkable thaw, espe-

By Hilary Barnes

The Danish government and both severely criticised in an official report published yes-Faeroe Islands bank in 1993. The Faeroes scandal arose

with the support of the gov-Faeroes subsidiary, Faeroya (parliament). Bank, to the Faeroe Islands government in April 1993. Shortly after, it became apparent that the bank crats and the Radical Liberal needed a massive capital

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injection, which the Faeroes government met by borrowing from the Danish state. confidence when the report is debated in the Folketing on January 27, but the

Denmark's leading bank are leader of the opposition Lib- ish commentators to the eral party, said yesterday that the report made it clear terday on the rescue of a that the prime minister, Poul Nyrup Rasmussen, and his government falled propwhen Den Danske Bank, erly to inform the Faeroes with the support of the gov- Islands government and also ernment, disposed of a misinformed the Folketing

It was not clear last night whether the minority gov-ernment of the Social Demoparty would face a vote of no when Mr Straarup told

Uffe Ellemann-Jensen, immediate reaction of Dan-2,500 page report was that vive opposition attacks.

The report is deeply unflattering for the chief executive designate of Den Danske Bank, Peter Straarup. He is due to take over when his appointment is confirmed by the annual meeting of shareholders in May.

sentatives in March and April-May 1993 that Faeroya Bank was not in need of new capital his statements "did not cover the facts of the situation". Mr Straarup denies the allegations.

Mr Nyrup Rasmussen said last night that the report gave the Faeroes government grounds to sue Den Danske Bank. The collapse of Faeroya Bank and other banks on the islands, with their 40,000 population, followed the collapse of the The report found that Facroes economy in the rates will choke off the frag-

EU wants bigger Mideast role

By David Gardner, Middle East Editor, in Brussels

As President Bill Clinton prepares to meet Israeli and Palestinian leaders next week in a bid to resuscitate the moribund Middle East peace process, the European Union yesterday began elbowing its way toward direct role in Arab-Israeli negotiations commensurate with its leading position as the financier of any eventual regional settlement.

The European Commission, in a unanimously endorsed policy document. says the EU should "participate alongside the US" in all negotiations between the contending parties in the region, and should be the 'key co-ordinator" of all international economic aid designed to underpin the

In short, according to Manuel Marin, vice-president of the Commission responsible for the Middle East, the EU must have "a seat on the board".

The move, taken after consultation with member states and the current British presidency of the EU, reflects growing European frustration with the failure of the peace process, which is undermining its efforts to build stable links with its Mediterranean neighbours. There is growing Euro-

pean as well as Arab frustration with Washington's seeming inability to use its influence with Israel to deliver a settlement, the West Bank and Gaza. although extensive lobbying, by the UK in particular, has ment record in 1996 fell last argued, however, that it excised any suggestion of year to 47 per cent, Commiscriticism of the US from the Commission document

sion is saying that its fund-ing of the Palestinians has had paradoxical results. The Palestinian economy has collapsed but the money has helped keep the peace process politically afloat.

The Commission says the EU and its member states pany, spending 54 cents out and institutions have pledged Ecul.7bn (\$1.85bn) out of total international aid commitments to the Pales- only continue to be the main tinians of \$2.8bn since the Oslo peace accords with Israel in 1993. But over the same period, per capita gross domestic product among Palestinians has fallen by more because of Israeli closures of

A 99 per cent aid disbursesion officials say, mainly as In essence, the Commis- ade of occupied territories.

Mr Marin said in an inter view with the FT vesterday that "if the political and economic context does not another five years of spend ing at this level?"

"If we were a private comof every dollar on a programme, would we not have shareholder in this operation if they [the US and the parties] let us participate and listen to us. Mr Marin emphasised that

the EU was not questioning than 35 per cent, primarily the "fundamental, necessary and unique role" of the US in the peace process because would be "good for the US" if Europe started to play a a result of the Israeli block- direct if still complementary role in peace negotiations.

NEWS DIGEST

Strong rally in Japanese shares

The Tokyo stock market rallied yesterday to break. through the psychologically important 16,000 level, on growing indications that the Japanese government is finally preparing to adopt further measures to stimulate

The Nikkel average surged 924.47 points to close at: 16,046.45 – the first time it has finished above 16,000 in a month. Trading was active as investors took cheer from comments made by government officials hinting at much awaited further action on the economy.

The yen, which had recently fallen rapidly in value, also reacted by surging to Y128 to the US currency. Ryutaro Hashimoto, Japan's prime minister, spurred the rally with a remark that "It is only right to take nec essary financial and taxation measures as we respond. quickly to changes in the economy and financial situa-

The US has also turned up the heat on the Japanese government, fuelling hopes that pressure from its largest trading partner would prompt government action. Lawrence Summers, deputy treasury secretary, urged Tokyo to ensure domestic demand led growth. "A successful carry-through of the [Japanese] prime minister's commitment to domestic demand-led growth and financial stability will be very important" for stability in the region, he Michiyo Nakamoto, Tolayo World Stock Markets, Page 21; Currencies, Page 9

■ TOKYO STORES

Shoppers trim spending

Cautious Japanese consumers spent less in department stores last year, but bought more second-hand cars. Tokyo department store sales for the whole of 1997 fell 3

per cent from 1996, and the retail climate worsened as the year went on. Even the gift-giving season failed to boost Tokyo sales in December, which is usually the strongest month. Sales fell 6.2 per cent year-on-year, the ninth consecutive month of falls since an increase in the consumption tax rate last April.

The rate of decline has also been increasing: November-

sales were down 5.6 per cent, October 4.7 per cent and September 4.2 per cent. Pessimism over the economy increased towards the end of the year, while the late 1996 figures were boosted by consumers starting to bring forward purchases to avoid the tax increase

Consumer electronics was the worst hit sector, declining 24 per cent from a year earlier, with furniture sales down 23 per cent and clothing 6.9 per cent.

New car sales also sagged after the consumption tax increase, with a switch to to used cars. Sales of used cars rose 0.4 per cent in 1997, setting a new record of 5.86m vehicles, although sales were weaker in the second half of Bethan Huttan, Tolayo

BANK OF SPAIN

Madrid interest rate caution

The Bank of Spain sounded a note of caution about inflation prospects yesterday, maintaining its benchmark interest rate at 4.75 per cent for the time being. Luis Angel Rojo, its governor, foreshadowed the decision by warning that it was "not necessary to throw more fuel on

Yesterday's Bank of Spain securities repurchase auction followed consumer price figures showing a 2 per cent rise in the 12 months to December, below the government's forecast, bringing Spain well within the qualification limit for European monetary union. It was Spain's lowest inflation year since the current price index was launched in 1962. However, the 12-month rate has already climbed from a low of L5 per cent last May and consumer demand is expected to increase price pressures in the next few David White, Madrid

KURDISH REFUGEES

Kohl and Prodi to meet

Helmut Kohl, the German chancellor, will visit Rome on Tuesday for informal talks with Romano Prodi, Italy's prime minister, that are expected to focus on the influx of Kurdish refugees into Italy and Bonn's fears that they will try to settle in Germany

Although German government officials vesterday said relations with Italy were good, tensions mounted between Bonn and Rome earlier this month after Manfred Kanther, the German interior minister, was sharply critical of the Italian government for failing to clamp down on allegedly illegal immigrants using Italy as a staging post on the route to Germany.

On the euro, Mr Kohl is likely to reassure Mr Prodi that he does not support recent Dutch reservations about Italy being among the founder members of the proposed single European currency.

■ PINOCHET FACTOR

Chilean minister resigns

The Chilean defence minister, Edmundo Pérez Yoma, has resigned abruptly from the cabinet amid signs of growing tension between the government and the military, and of dissension within the government. The strain has arisen in recent days after members of

the government parties threatened to bring charges against General Augusto Pinochet, the outgoing army commander and former dictator, for unconstitutional

The general is due to step down in March, and the army has apparently been lobbying for support in the other armed forces and among the opposition political parties to force the government to influence the dropping of the Man in the News, Page 7

ELECTION AID

EU alone on Cambodia

The European Union yesterday broke ranks with the US, Japan and the Association of South East Asian Nations (Asean) by granting electoral aid to Cambodia without emanding that the ousted first prime minister, Norodom Ranariddh, be allowed to return and take part in polls scheduled for July.

The EU pledged \$10.5m to help Cambodia with the cost of registering voters, establishing an electoral coservation unit and training local media. It said the aid was coulditional on the Cambodian government ensuring that electoral standards were sound and that all parties got equal access to the media. Ted Bardacks, Bangkok

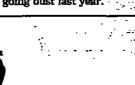
TIGHTER REGULATIONS

Russia to cut airline numbers

The Russian air authorities yesterday amounced plans to tighten up regulation of the country's skies and cut the number of airlines from 315 to about 50 in an effort to improve safety and services.

"We plan to have eight airlines with federal status and another 40-45 regional carriers by the year 2000," said lyan Valov, first deputy head of the Russian Aviation Service, which regulates the industry. Following the break up of the Soviet Union, a large fleet of independent private air lines was spun out of the Aeroflot monopoly, becoming known as "babyflots". But many have been poorly run and are in a weak financial position, with 65 of them John Thornhill, Moscott

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Section 1

NEWS: INTERNATIONAL

toughen up Iraq stance

The US and Britain yesterday stepped up pres-sure on Iraq after France and Russia sought to dilute the American presence in the UN weapons-monitoring

Scott Ritter, the American whom Iraq has accused of being a spy, yesterday left Baghdad with his inspection team. William Cohen, US defence secretary in Bangkok, said Iraq's President Saddam Hussein did not score a victory with the departure of Mr Ritter's team. His 16-member team left a day earlier than scheduled after being blocked for two days from working when the required official escort failed to turn up.

In spite of Russia's offer on Thursday to provide aircraft to monitor lrag. Mr Cohen said US spy aircraft would continue their surveillance. Iraq has threatened to shoot down the American U-2s. After Iraq complained that Americans and Britons were dominating the inspections team, Russia on Thursday submitted a list of 60 names for Richard Butler, chief UN inspector, to consider. UN officials said a senior French expert would join the disarmament commission (Unscom) at UN

headquarters in New York. France and Russia want to see the early lifting of sanctions against Iraq, imposed after the Iraqi invasion of Kuwait in August 1990. Sanctions will remain in force until UN inspectors certify that Irao has dismantled its arsenal of weapons of mass destruction and their pro- of sanctions."

Britain yesterday said it was sending the aircraft carrier HMS Invincible, accompanied by the Royal Fleet Auxiliary Fort Victoria, to the Gulf region.

George Robertson, British defence secretary, said the UK was working with other Security Council members to secure Iraqi co-operation with the UN inspection teams. But he made clear that Britain was ready to use force if diplomacy failed to win access for the inspec tions teams

Richard Butler, the chief weapons inspector, is due to meet UN inspectors today in Baghdad and on Monday talk to Iraqi officials in an effort to break the deadlock with Iraq over access for the weapons inspectors.

In addition to blocking Mr Ritter's team. Iraq has placed suspected weapons sites off-limits, claiming they are presidential palaces and

other "sovereign" sites. Western diplomats say Baghdad is expanding the category of off-limits sites in an effort to make impossible the monitoring and dismantling of Iraq's weapons.

This is the latest in a string of crises since last summer which diplomats have attributed to the fact that Unscom is closing in on Iraq's hidden arsenal of chemical and biological weapons and possibly home-

made Scuds. A senior UN inspector said Iraq, hoping to exploit divisions within the Council, has "decided it can retain what remains of their weapons of mass destruction and get rid



A downcast Necmettin Erbakan on his way to court

Court orders closure of Welfare party

Islamist leader Necmettin Erbakan banned from office for five years

Turkey's constitutional court vesterday ordered the closure of the Islamist Welfare opposition party for conspiring against the secularist order and banned Necmettin Erbakan, its leader and a former prime minister, from political office for five years.

The court's 11 judges ruled 9-2 to uphold charges brought by a state prosecutor last May that Welfare, Turkey's largest party, was "undermining Turkey's secular regime and bringing the country to the brink of

Mr Erbakan yesterday urged his supporters to remain calm.

He said: "Even if the court's decision was wrong, people should obey it. I am asking for peace."

The prosecutor filed charges as part of a campaign led by the secularist military last year to force the Islamists from office. Mr Erbakan resigned in June after 11 months in office at the head of a coalition government with the conservative True Path party of join the Virtue party, set up Tansu Ciller.

other Welfare officials from participating in politics. All the party's property

must be transferred to the

Mr Erbakan said he would reduced political uncerappeal against the court's tainty.

Court of Human Rights, although the constitutional court's president stated that international treaties safeguarding basic human rights such as free speech are not

binding in this case. Hasan Cemal, political columnist at Sabah, Turkey's leading newspaper, said the court's decision to announce its decision on a Friday, Islam's holiest day, during the holy month of Ramadan was a blunt warning that the secularist state, increasingly dominated by the army, would tolerate no challenges from the Islamists.

However, the ruling may further alienate support for Turkey in the European Union, where leaders have criticised the Welfare trial as undemocratic.

This is the first time an Islamist party has been closed under a democratic government. Military-led governments closed two parties founded by Mr Erbakan in 1971 and 1980.

The party's 147 remaining MPs are expected to sit as independents and may later in December by Islamists as The court also banned five a successor to Welfare.

The Istanbul stock market's main price index rose 2.7 per cent yesterday, reflecting investors' belief that the end of the trial has

US and UK | Cubans make light of the First Coming

The Pope's visit to the communist-ruled island is the stuff of legend, writes Pascal Fletcher

hy is the Pope going to Cuba? "To see hell for him-self, meet the devil in person and witness the miracle of how Cubans have survived!"
This joke, doing the rounds in Havana, shows just how much the forthcoming visit of Pope John Paul II to Cuba has ignited the imagination, if not the

expectations, of the island's

long-suffering 11m people. On Wednesday the 77-yearold Polish Pope, whose reputation as an anti-communist crusader still shadows him, will set foot on the island fiefdom of Cuba's 71-year-old President Fidel Castro. stern defender of one of the world's last remaining oneparty communist states.

Cuba's "Maximum Leader" will receive "the Messenger of Hope and Truth", the term heing used by the Pope to describe his five-day pastoral mission to the Caribbean island as spiritual bead of the world's Roman Catho-

This is the stuff of myths and legends and, sure enough, 3,000 of the world's finest myth-makers from the international press will be at hand to record the momentous occasion.

Headlines are already being feverishly prepared: "A clash of titans!", "Battle of hearts and minds!", "An end-of-millennium meeting of the world's two great ideologies: Marxism and Cathol-

Meanwhile, back in the real world both the Cuban government and the Vatican have gone out of their way to damp down speculation that the crusading Pope, on his first visit to the island. may seek to persuade Mr

Castro to follow the way of his native Poland and dump one-party communism No, chorus the Vatican spokesmen, Cuban church leaders and government offi-

cials in apparent unison.

This is a pastoral, not a

political, visit. But if the Pope says he is visiting Cuba as a "messenger of hope and truth", surely this suggests he believes these spiritual commodities may be in short supply there?

And what to make of a recent speech in Rome, in from the headquarters of guest condemn the long- level of support for Cuba's

which the Holy Father said he hoped his visit would help to make Cuba a "more just and united" country. Does that not sound just a tiny bit political?

US President Bill Clinton. who has no qualms about criticising Cuba's one-party system, certainly seems to think so. In recent remarks he said he was "very encouraged" by the Pope's visit to to try to persuade the Pope Cuba and added ominously: "The Pope is a very persuasive fellow.

world "imperialism" is usually enough to set the alarm bells ringing in Havana. Mr Castro has told report-

ers he finds it strange that anyone should think the Holy Father would even try to convince him to abandon his faith in Marxism and the revolution. After all, he argued reasonably, did anyone seriously expect him to to give up Catholicism?

Neither, Mr Castro added. would he be so impolite as to This kind of endorsement demand that his revered

standing US embargo against Cuba. In fact, the pontiff is

widely expected to repeat tion to the US embargo, couched in suitably diplomatic terms. As if to bury speculation about political change,

Cuba's government held scheduled one-party general elections 10 days before the Pope's arrival. The authorities reported a miraculous near-100 per cent voter turnout and said this showed the one-party political system. But not all has been sweet ness and light.

In spite of an assurance by Mr Castro that Cuba has "no material interest" in the papal visit, some big US television networks which have travelled to Havana are furious about what they call 'outrageous price-gouging" by the Cubans. They are being asked to pay upwards of \$100,000 for the Cuban TV feed of the visit and \$5,000 a day for each satellite uplink licence, well above normal

Mr Castro has denounced what he called efforts by "intriguers and enemies" to spoil the visit through "dirty publicity".

He cited international media coverage of a December 27 incident involving a Mexican tourist, in which a firework went off accidentally near a church in Havana. Some international news reports called it a "small bomb" and linked it

to the Papal visit. "That firecracker resounded around the world like an atomic bomb," Mr Castro commented acidly.

Matters have not been helped by other press reports, subsequently confirmed by unnamed Vatican sources, that a listening "bug" was found before Christmas hidden in one of the church buildings that the Pope will visit during his trip. The government has

Amid all the fuss and paranoia, most ordinary Cubans seem to be keeping their feet firmly on the ground. "I don't expect much to change," said one Cuban. "Have you heard the latest



Consumer seen as victor in beef row

By Daniel Dombey in Brussels and Frances

The European Commission yesterday hailed a ruling on hormone-treated beef as a victory for the consumer" even though the decision leaves it unclear whether the European Union will be able to continue indefinitely its ban on imports of the

The roling, issued yester-day by the World Trade Organisation's appellate body, found the EU ban was in breach of international trade rules. But it ruled in favour of the EU on several points and EU officials say they will be able to keep the ban if they provide an adequate assessment of the risks that the beef may pose

to hunnan health. The ruling is the latest attempt to settle a dispute that has run for more than nine years and which the US says has cost it \$200m-\$250m a year in lost export

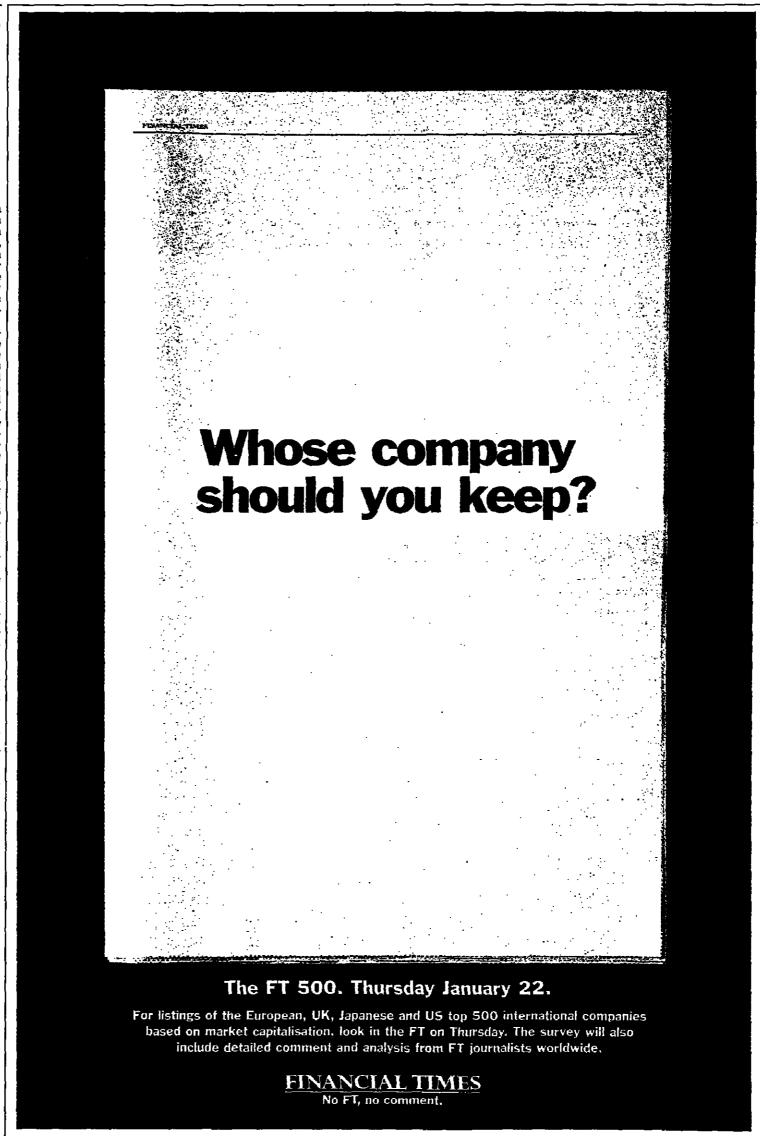
Rita Hayes, US ambassador to the WTO in Geneva, called for the ban to be lifted within the 15 month adjustment period the WTO pormally allows. She noted that two comprehensive studies, including one by the EU itself, had found no risk attached to beef from hormone-treated animals.

here." sbe said. The WTO ruling overturned an earlier panel on two counts. It said the EU was not necessarily inconsistent in allowing hormones into other parts of the food chain while banning the hormone-treated beef. It added that the EU would be allowed to impose tougher food standards than the corresponding internawere scientifically based, a ruling that the Commission

was quick to praise. A WTO source had previously doubted whether the EU would be able to provide convincing evidence of the beef's alleged effect on health, since the earlier studies provided by the EU mones used rather than the beef itself.

But the ruling indicated that the conditions for a risk assessment could be met if toxins were found. even if they were only present in small quantities. "One molecule is enough," said an BU official.

The EU would also be its tified in banning beef if the tered in accordance with good animal husbandry.



Clinton sex case hearing makes legal history

By Gerard Baker in Washington

Some time this morning, in a deserted office building a few blocks from the White House in downtown Washington, the president of the US will place his hand on a bible, swear an oath and talk on video for three hours or so about his sex life. The occasion will not be some amounted to sexual harassment,

new experiment in schlock confes- an infringement of Ms Jones's fedsional television nor a first shot erally protected rights. by the president at a very personal visual autobiography. It will be a piece of legal history.

Bill Clinton will become the first incumbent president ever to proceedings, if they go ahead as testify as a defendant in a court planned, may mark the point of case. He will be answering a claim no return on a path to a full trial himself in such a way. That argufrom Paula Corbin Jones that, on scheduled for May. Ms Jones has ment was rejected by the Supreme May 8, 1991, in a suite at the already turned down an offer from Court, and so Mr Clinton has been ton's lawyers and advisers

production

rises sharply

Deposition will see first incumbent president testifying in a court case Excelsior hotel in Little Rock. the president's lawyers of \$700,000 required to give the deposition, a decided against it. Ms Jones is

Arkansas, he wilfully and know-ingly dropped his trousers and requested oral sex, an act that, since he was governor of Arkansas at the time and Ms Jones was an employee of the state.

In spite of efforts by lawyers for both the plaintiff and defendant to Clinton. settle the case before it came to this, today's somewhat surreal

She wanted instead a bit more money, an apology and what has become to a litigiously obsessed nation that most precious form of

redress, her day in court. The proceedings, known formally as a deposition, mark the most visible moment yet in a public relations nightmare for Mr

The president tried to prevent the case coming to court during his term of office, arguing that no president had ever had to defend

Canadian crushes opposing players

So how will his team mates on the

Philadelphia Flyers react when they

are submitted to the Lindros punish-

ment at the Winter Olympics next

month? And how will fans of the smallest but fastest growing of the

four US big league sports feel when

they see their local heroes lining up

on the opposing side against the red.

white and blue of the national team?

If you are one of the bean-counters

at the National Hockey League.

which is sending its players to the

Olympics for the first time, this will

The last Winter Olympics gave

American television viewers the

Tonya Harding and Nancy Kerrigan

show, an all-consuming drama wor-

thy of prime time. This time, Amer-

ica's skaters have not tried to cripple

each other off the ice - but maybe

its top hockey players will do it in

The National Basketball Associa-

tion first ploughed the Olympic fur-

row by releasing its stars to play in

Barcelona six years ago. Dream

Teams one and two became interna-

tional showcases for NBA talent -

But while the NBA gave the world

the awesome talents of Michael Jor-

dan, Charles Barkley et al, the top

players from the NHL could produce

something different: a decent sport-

ing contest. Only around 20 per cent

of the players in the league carry US

come from Canada, where to call

are Europeans of one flavour or

another, with Russia, Sweden, Fin-

the strongest contingents. Almost all

the world's top players take to the

The translation of this super-

league to the Olympics will involve

some tinkering. The Olympic rink is

about 20ft wider than the average

NHL rink, a factor which should

by giving faster players more room.

harshly on the fighting that often

Olympic rules also frown more

ice in the NHL.

and a tool for its marketing arm.

full view of the cameras instead.

against the boards, they feel it.

legally binding account of his version of events that will be used as sition, and stomachs clearly evidence at the trial.

The trial judge will be available at the other end of a telephone if of the plaintiff sweeping in to the needed, but the question and presidential mansion for her answer session will be essentially unrefereed. Ms Jones's lawyers have made it plain they intend to at the offices of Mr Clinton's lawask probing questions about Mr yers on a Saturday morning, Clinton's sexual history, many of when the streets will be empty which would surely be ruled out and most citizens' thoughts will

But the White House has gone out of its way to limit the damage. Originally scheduled to be held in of his presidential limousine the White House itself, Mr Clin- under the television lights.

entitled to be present at the depoturned in Mr Clinton's offices at the thought of television pictures

moment of history. Instead the event will take place be elsewhere. The building has an underground car park so Mr Clinton will not be forced to step out

to avoid having to testify in open court if the trial goes ahead.

Ms Jones's supporters argue these efforts at damage limitation have recently gone much further. Last week the Treasury began an investigation into the circumstances surrounding the curious coincidence that Ms Jones and her husband have found themselves

In the end, perhaps the most intriguing aspect of the case has been how unmoved the American public has been by it.

Even among those who say they believe Ms Jones's allegations, the president enjoys widespread

nations will get an automatic pass to

the final round of eight teams, minimising the amount of time that the

league's highly paid stars will have to spend in the Olympic Village.

There definitely were some wran-

gles." says Steve Solomon, the

league's chief operating officer and a

former senior vice-president at ABC

The fact that these differences

have been overcome is a testament

to the amount all sides believe is at

stake. Hockey may be a national pas-

sion in Canada, but it has only

achieved the status of a national

sport in the US in the 1990s with the

spread of the game to Sunbelt cities

like Dallas, Tampa Bay and Phoenix.
As a result, the sport did not have

national television exposure in the

US until the deal with Fox in 1993,

and a cable agreement with ESPN

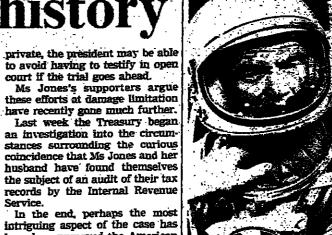
the following year. With TV cover-

age comes big-time sponsorship:

national sponsors will spend \$200m

this year for the privilege of being

linked to the league. 10 times what



senator redefines space age

John Glenn, the first American to orbit the earth, struck a blow for the elderly everywhere yesterday with the news that he is to return to space in October, aged

The Ohio senator, whose freckled, crew-cut good looks and ice-cool demeanour enamoured him to Americans 36 years ago, when he orbited the earth three times in Friendship Seven, is to fly again to allow detailed experiments on the ageing process.

Mr Glenn's first flight came when the US was seen to be trailing the Soviet Union in a space race conducted at the height of the

moment for America, making him in the words yesterday of Dan Goldin, Nasa's administrator, "one of the great heroes of the 20th cen-

The new flight meant Glenn would be "America's first hero of the 21st century". Mr Goldin added.

Both Nasa and Mr Glenn vesterday insisted the flight was no stunt but a serious piece of scientific experimentation. Space flight has many similar effects to ageing on muscles, bones and the cardiovascular and effects which are reversed when astronauts return to earth.

Having Mr Glenn fly again will allow study of the effect on somebody well past normal retirement age and allow Nasa to compare what happens to Mr Glenn's body against the baseline data they hold from his previous

Outlining his decision to go with the same mix of modesty, charm and intelligence which characterised nis appeal 36 years ago, Mr Glenn said the flight should help address the "whys" of what happens to astronauts in space, as opposed to the

When he put the idea to he had asked himself "would we see the same kind of changes" in someone who has already gone through the ageing process. "Would you be immune to them? Would we be able to find out what turns the ageing process on and off eventually?"

Mr Goldin said the man who would be both "America's newest and oldest astronaut" had "a unique blend of experience, expertise and excellent health"...

US industrial Ice stars chase glittering prizes

National Hockey League is sending leading players to the Olympics, says Richard Waters ric Lindros is 6ft 4in, 230lb, and a menacing presence on a hockey rink. When this giant hold a two-stage contest: the top six

in Washington US industrial production rose sharply last month, as companies ran at their

By Gerard Baker

vesterday.

The figures were the latest economic stronger dollar. slowdown as a result of the Asian financial crisis of the industrial sector is upward last six months has not

Total output climbed by a seasonally adjusted 0.5 per [stocks] growth eases and cent in December after a 0.8 per cent leap the month

Businesses were running at 83.4 per cent of their maximum capacity as 1997 the highest operating September 1995, but still the inflationary flash point over interest rate policy. of about 85 per cent.

Last year was clearly a banner year for US factories output was up by 5.9 per cent on 1996; manufacturing industry recorded growth of

production to slow in the economy slows sharply. first few months of 1998 as a affect output.

The growth in production in the last three months of the year - at about an annual rate of 7.4 per cent was much faster than the growth in demand - what was actually bought.

That suggests companies were forced to put much of the increased production

businesses will tend to ease off production and run down their higher stock levels to

meet demand. In addition, the Asian fastest operating rate in effect should start to be felt, more than two years, the as US companies face Federal Reserve said weaker demand in the region and are forced to cope with a rise in the price of evidence that the widely their goods as a result of the

> "The momentum in the going into 1998, but we expect it to ease over the course of the year, as export growth slows," said Jonathan Basile, an economist with HSBC Markets, an investment

What no one knows for certain, however, is the scale rate since of this slowdown. If the overall effect on output is comfortably below what small, the Federal Reserve most economists regard as will face a renewed dilemma

> Currently the Fed seems content to remain on hold, pending further evidence of the depth of the expected

Some analysts are even expecting the central bank passports. Three out of every five But analysts expect to cut interest rates, as the

But if production combination of rising stock continued to be as robust as levels and the fall-out from it has been in the last few the Asian crisis begin to months, the chances of an easing in policy seem remote. And in yesterday's report the Fed pointed out that December output would have been even stronger if the car industry had not cooled off.

Excluding cars and car parts. December output reduce the amount of body-checking climbed 0.7 per cent following a 0.6 per cent



Eric Lindros: \$16m deal as center for the Philadelphia Flyers

characterises bockey. The sport's two different rulebooks While some tinkering with the both read like elaborate combat schedule has meant that no NHL play" (not something recognised in to the season will be gone. hockey a national obsession would the NHL), "butt-ending and spearbe a gross understatement. The rest ing," "fisticuffs" and "roughing". Suffice it to say that Olympic penal- Fox, the television network which should also add to the generally fas- temporarily to rival CBS, which covland and the Czech Republic fielding ter and less physical hockey played ers the Olympics.

> outside the NHL. land's national hockey organisation. But while he exhibits some frustraers, it is a wonder in many ways that it has happened at all.

The Olympics, after all, come in

manuals, with their descriptions of games - and hence no television revthe penalties for "excessive rough enue - has been lost, the momentum opposing vested interests to appease.

the middle of an 82-game season.

ties are tougher, something that carries the NHL, will lose the sport

The world has waited a long time cerned about wear and tear on playfor the Olympic match-ups, says ers; team owners have worried about Martin Saarikangas who heads Fin- injuries to their stars. "It's a real risk - no other contact sport plays this many games a year," says Bob tion at the fact that it has taken so Russell, a Canadian who has spent long for the league to free its play- 20 years coaching junior hockey teams. And, in one of the most diffi-

The players' union has been con-

cult negotiations, the NHL has persuaded the Olympic organisers to

they paid five years ago, says Solo-If the NHL's US business plan is still in its early stages, then an international strategy hardly exists.

While some 160 countries are said to carry NHL games, only around 10 per cent of the league's \$1.3bn licensing and merchandising revenues come from outside North America. In Europe, the NHL opened its first office. in Zurich, three years ago and has its eyes on countries such as Germany and Austria, where an avid following is said to be forming. Using the Olympics as a platform for the cardiovascular and its best athletes for the first time immunological systems. There have also been some deeply should give the NHL the push it needs in all these places.

The business plan seems to be working well so far. The NHL recently displayed the clearest symptom of a sport that has truly joined the big leagues: the arrival of sky-high salaries.

Lindros last month reached a twoyear. \$16m salary extension - a move that was widely seen as a riposte to the two-year, \$14m deal secured weeks before by Paul Kariya of the Mighty Ducks, a team owned by Disney. When the two Canadians meet in the locker room in Nagano, they will be able to compare notes.

A pension **leadlines**

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Texas wins \$14bn tobacco deal

By Nicholas Timmins in Washington

The US tobacco industry yesterday agreed a record \$14bn settlement with the state of Texas, its biggest setback yet in the face of a tlement would expedite fedspate of lawsuits. The deal, affecting eight

cigarette manufacturers, is the biggest civil settlement in US history and follows the companies were "clearly on resolution of smokingrelated health claims in Mississippi and Florida, which between them cost as much as the Texas settlement. The deal also precedes what may be an even more damaging in Minnesota next week.

Details of the agreement were being announced vesterday as President Bill Clinership sought to put fresh

settlement outlined last June and impose tough antismoking legislation.

It was not immediately clear whether the Texas seteral legislation, which could overtake state settlements. Mike McCurry, White House spokesman, said tobacco the run, and on the run for good reason".

The Texas settlement which involves R.J. Reynolds, Philip Morris, BAT Industries, American Tobacco, Brown and Williamson, Liggett, Lorillard Tobacco and United States Tobacco - is expected to include, like the Florida and Mississippi settlements, pubtising restrictions and a cam-

pressure on Congress to paign aimed at stopping manufacturers now see as agree the \$368.5bn national underage smoking. The industry had said it

would fight the Texas case as one of the weakest week's case against the industry in Minnesota is seen as one of the strongest. Hubert "Skip" Humphrey, Minnesota's attorney general, is one of the fiercest critics of the proposed national settlement, describing it as too weak. He is runand is thought to be determined to push the case to trial as a way of disclosing millions of pages of docueven more damaging to the industry than those already

released disclosures could undermine the national deal which the welter of cases against

The settlements, however, brought against it. Next are increasing tension eral government over what programmes the huge sums involved should be spent on and who should decide, Mr Clinton has proposed that \$196bn of the national settlement should go to the states, but he is already earmarking childcare and other initia-

George W. Bush, the Texas governor and potential presi-dential candidate in 2000, said the state legislatures should decide how the cash should be spent. 'I am con-Industry sources fear such cerned that the money is going to be pre-spent." he

His decision to risk his life again in the interests of science showed the senator stuff" - a reference to Tom Wolfe's book depicting the key characteristic of the pilots, including Mr Glenn, travel on the Mercury and Gemini missions.

President's plans for a referendum on re-election is concentrating minds

Panama opposition struggles to unite

Most people might expect some messages of congratulations on starting a new job especially if, like Ricardo Alemán, vou have just been appointed to one of the top

But when Mr Alemán arrived this week for his first day as general manager of the Colon Free Zone trade zone that produces 8 per cent of Panama's gross domestic product, he would not have found any goodluck cards from his former colleagues in his in-tray.

Until he accepted the offer not due until May next year lished in Panama after the sition ranks. rom President Ernesto but there is growing aware- US toppled General Manuel "We are st from President Ernesto but there is growing aware-Pérez Balladares to take charge of the CFZ, Mr Aleman was general secretary of one of Panama's largest opposition parties, flerce critics of the government which has now co-opted Mr Alemán's support.

His unexpected switch election. highlights the difficulties the opposition faces in mounting (CFZ), the enormous free Democratic Revolutionary party and to Mr Pérez Balladares, who was elected in 1994 with only 33 per cent of the vote against a divided opposition.

ness that the opposition needs to sort its problems out soon to face a more urgent challenge - the likelihood that Mr Pérez Balladares will seek, via a referendum this year, to alter the constitution to permit his re-

The opposition - which now resigned, as well as the larger Arnulfist party and the Christian Democrats - is strongly opposed to the idea of re-election. They believe it likely expulsion from the would encroach on the prin- party, but emphasising the from choosing a figurehead Presidential elections are ciples of democracy re-estab-

Ricardo Arias Calderón, a rena president. "We talk a

former vice-president and a Christian Democrat, says time is running out." that under Mr Pérez Balladares "there is centralisation than 60 per cent of Panamaand concentration of power the like of which we have

"It is in this light that we includes the Molirena party have to see the attempt at from which Mr Aleman has re-election."

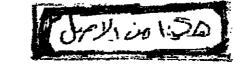
However, another prominent Molirena member, Rodrigo Arosemena, has supsense of division in the oppo- until after a referendum.

"We are stupidly divided. Opinion polls show more

nians oppose re-election But Mr Ford and his allies. who will try to agree on a united presidential candidate, face a difficult choice in knowing whether to come forward early wifh their "ticket", and perhaps risk a becoming a vote on their candidate's merits, or refrain

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NEWS: UK

Ministers expected to approve \$65m aid package for van joint venture | Ballet and Daewoo to take stake in LDV

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海人 医缺乏 外壁片

The government is expected involves investing more to give its approval later this month for up to £40m (\$65.2m) in aid for the proposed joint venture between should secure the 1,500 jobs LDV, the Birmingham-based at LDV and potentially crevans group, and Daewoo of ate a further 2,000 by 2005. South Korea to go ahead. Daewoo will build up to

A recommendation on 120,000 units a year of the whether to back the deal, discussed on Thursday by a at its Polish subsidiary. LDV panel of experts at the will build up to a further Department of Trade and Industry, has been passed to British-built vehicles will be ministers. They are expected sold under both badges, with to give the green light, up to 75 per cent being ministers. They are expected although the application for

Derby, having a runner at

the Grand National winner

But, although more than

1,000 meetings carrying in excess of £60m (\$97.8m) in

prize-money are scheduled

maintains it is chronically

underfunded, compared with

international bloodstock

competitors, and in financial

British-trained horses last

year may have achieved suc-

cess in the US, Europe, Hong

Kong and Japan, and

boasted racing's unofficial

world champion, Singspiel.

In the financial return the

sport offers owners, how-

also-ran in 36th place.

Dependent businesses also

face a struggle. The British

Bloodstock Agency yester-

day announced six-month

interim results showing a

3.1p loss per share.

Advisers

face fines

deadlines

By Christopher Brown-Humes

on pension

Five of Britain's largest

independent financial

adviser groups are facing big

fines after missing a key

deadline for clearing up pen-

They are Burns Anderson

Independent, Countrywide

Independent, DBS Financial,

Financial Options and IFA

The Personal Investment

Authority, the watchdog for the private investor, said the companies had fallen well

short of a target of complet-

ing 90 per cent of their most

urgent cases by the end of

The five are believed to

have resolved less than 70

related to pensions mis-

The progress of 41 compa-

nies with the most mis-

selling cases to resolve is

being monitored by the Trea-

sury and the PIA.

sury and the PIA.

Some 29 of those compa-

nies had year-end deadlines

and collectively they met the

Attention will now switch

escape a second fine.

per cent of their caseload. DBS has already been

December.

sions mis-selling cases.

applause.

than £200m in a new generation of vans early next century. The new products

80,000 a year by 2005. The

Some observers had feared

Racing proves

an outsider in

revenue stakes

British racing, rich in history, heritage and tradition, is widely recognised as the best in the

world. Owners dream of the Support from

to thunderous Aintree bookmakers

Royal Ascot, or leaving in government and

this year for a horse popula- smaller prizes can expect to

tion of 12,000, the sport cover less than 25 per cent of

The joint venture, which the deal might fall through Ssangyong, another Korean vehicles group, which also builds vans.

Daewoo officials say they remain committed to the project, although some details remain to be negotiated. The company, in intermit-

tent talks with LDV for vehicle LDV builds for itself.

will include Daewoo taking a after the economic turmoil first investment in vehicle product skills as well as its minority stake in LDV, in Korea, which has led to manufacturing in the UK. the freezing or cancellation The company, which broke of some investments. Matindustry tradition by selling ters have been further com- its cars directly to motorists plicated by Daewoo's deci- rather than through dealers, sion last month to buy bought part of IAD, an automotive engineering and design business, in 1994.

The latest deal will offer a

lifeline to LDV, which rose from the ashes of the collapsed Daf group in 1993. Although the company has modernised its products, its vans date back to British Leyland designs and would almost two years, has said it have difficulty remaining competitive after 2000. LDV will gain access to

The deal marks Daewoo's Daewoo's engineering and much bigger clout for components purchasing. For Daewoo, the deal offers instant access to the big UK van market as well as LDV's experience in manufacturing and marketing commercial vehicles,

opera hit

by round

of fund

freezes

By Antony Thorncroft

The Arts Council yesterday

announced a freeze in fund-

ing for most of its 165 cli-

ents, with some companies

receiving a cut in subsidy for

1998-99. The council's own

grant from the government

for 1998-99 is £184.6m

(\$300.8m), a cut of £1.5m on

the previous year. Since

1993, the arts have seen a

£34m reduction in funding in

Among the largest clients,

The Royal Opera, the South Bank Centre, and English National Ballet will all see a

cut in grant. Several organi-

sation, such as the Ikon Gal-lery in Birmingham,

England's largest city after

London, the ICA in London,

and some modern dance

troupes, will gain. Lord Gowrie, retiring chairman of the Council,

which is responsible for

distributing £184.6m in gov-

ernment aid, said: "The

news is dire. The funded arts

are in the worst revenue cri-

The council made an

across-the-board cut in

grants of 0.8 per cent. By

trimming council running

costs by £500,000 and reduc-

ing reserves, many clients

will now see their grant fro-

zen at last year's figure -

effectively a cut in real

Graham Devlin, acting sec-

etary-general of the council,

added yesterday: "Compa-

nies have been tightening

their belts to the point

where in some organisations

it is almost unsustainable.

Most are in very grave diffi-

culties and at the edge of survival. But I don't believe

that any are in danger of

Lord Gowrie added: "By

prudent management we

have been able to protect

most people from the impact

The reaction in the arts world was predictably down-

beat. "I feel bitterly disap-

pointed by yet another year

on stand-still funding" said

Adrian Noble, artistic direc-

tor of the Royal Shakespeare Company. The RSC's grant

has been frozen at £8.4m

since 1993-94, representing

an accumulated loss in reve

nue in real terms of £4.1m

The RSC now has a deficit of

Jennifer Edwards, of the

National Campaign for the

Arts, commented: "This is

the last desperate squeeze

from the tube of toothpaste.

of our loss."

£1,6m..

funding.

sis of my adult lifetime."

real terms.

Progress on the new van range is believed to be going smoothly, with introduction planned early next century. The project includes a proposal to export some vans to Korea, although this may have to be reviewed in the light of the recent economic circumstances and the Ssangyong acquisition.

Owner Sheik Maktoum with jockey Walter Swinburn on Lammtarra after their Derby win

having a horse in training. About 23 per cent of owners leave the sport every year. Blame, according to a financial plan published by the British Horseracing Board this week lies with

the bookmakers and the government. In every major racing country betting underwrites the sport, but Britain's unique system ever, it languishes as an diverts funding into the pockets of private bookmakers' shareholders. Via a statutory levy system, bookmakers provided £56m to the sport from their turnover in least generous contribution Owners in Britain subsid- of the big racing nations.

rich foreign investors,

headed by the Maktoum fam-ily of Dubai. Domestic own-

ers competing for the sport's

the £13,500 annual cost of

ise the sport to a greater. The government is blamed degree than in any other by racing for its failure to generate an additional £25m that racing and betting was major racing nation. The top impose greater demands on from self help and marketing an important industry, supend of racing has become the bookmakers. The Trea- initiatives. The BHB plan porting over 100,000 jobs and

extent to which it taxes bet- of £105m would be revenue income. But on Tuesday, 24 ting turnover. Betting duty, currently 6.75 per cent, is nearly six times the percentage of turnover returned to racing in Britain, a significantly greater ratio than any

of Britain's competitors. The BHB's financial plan. which has been sent to the Home Office and the Treasury, asks government to invest £80m of its share of betting turnover into the 1997, but this ranks as the prize money, or to ensure bookmakers contribute the balance of this sum to the sport. Racing itself aims to

stimulating betting by £450m, and by generating £183m in additional income. Racing's main problem is

the widely held perception that any financial concessions would reward petrodollar billionaires, millionaire tax-exiles, and British entrepreneurs lured to the turf by its social kudos.

Lord Wakeham, Westminster's master fixer, was per-

neutral for the government hours before the financial by creating 9,000 jobs, by plan was unveiled, Lord Wakeham resigned, maintaining the plan was unrealistic in the current political climate. At a crucial time, one of racing's strongest performers declared himself a Usually in January, rac-

ing's biggest problem is rain, sleet and snow. The worst frost this month has been around the BHB boardroom table. The sport's long-term suaded to take the BHB's difficulties remain the bookpost of chairman to argue makers and the government's belief that racehorse owners' pockets are deep.

Bank donations boost charity

profits, jubilant bankers Review, the specialist finanhave donated an appropriately large amount to charthe Grosvenor House hotel in London.

In less than half an hour, banks pledged £610,695 (\$995,432) to the Save the Children fund, almost double last year's figure which itself was a huge leap on 1996. "It was just fantastic," said Janet Abbott, the chari-

ty's fundraiser. "In just 20 minutes, it happened. The world's leading banks pledged nearly \$1m."

More than 1,200 guests attended the annual awards

cial publication.

This year's donations ity in a bidding contest at bring the total raised by IFR tion size. for Save the Children close to £1m. The dinner raised £325,000 last year and £20,000

Save the Children said this year's amount was the larg-It hoped this year's donations would reach £1m next

The bankers' generosity was fuelled by IFR's bidding system - the 'virtual tombdinner on Thursday hosted of the largest donation was audience.

by TV personality Clive posted on large electronic Anderson and organised by screens, alongside the name screens, alongside the name After a year of record International Financing of the organisation. Other donors were listed underneath, in smaller print and in decreasing order of dona-

> "Tombstones" are newspaper advertisements announcing the completion of large financial transactions. They usually contain a list of participating banks in order of est raised in a single event. their importance in the transaction. The donors did not seem

month at IFR's Asian to be deterred by Clive Awards dinner in Hong Anderson's acerbic asides, one of which suggested that the problems being addressed by Save the Children had been caused by the stone" - where the amount policies of bankers in his

(£122,173) came from Merrill Lynch at the end of the bidding, shortly after the US | Some of our most talented bank was crowned IFR's people are being driven out Bank of the Year. Its presi- of the live arts." dent, Herb Allison, was presented with a trophy by Princess Anne, the Princess

Children. In a surprising decision, the donations from Union Bank of Switzerland and Swiss Bank Corporation were counted as a single bid, which temporarily propelled them to the top slot. The two banks are planning to

Royal, patron of Save the

"Perhaps this is meant to convey their confidence that the merger is going ahead,"

stroke of inspiration and

Sammy the Tammy, as the

lovely lady was called,

sashaved around, working

her charms on the assem-

trap her intended prey.

bled on-lookers, but failed to

Eventually it was Wilt-

shire police and a specially

trained RSPCA officer who

captured the second run-

away in Harry and Mary

Clarke's garden, after put-

ting it to sleep first with a

During their eight days on

the run, the two pigs cap-

tured hearts around the

world, dominating headlines

of national newspapers -

one of which had six report-

ers working full time on the story - and beaming out on

CNN, Sky TV and News at

tranouilliser dart.

dance out of hiding.

Outlook for pork futures bright as dynamic duo are captured

By Juliette Jowit. fined £425,000 for offences Wales and West selling and could therefore Correspondent

> Britons heaved a collective sigh of relief yesterday as a week-long hunt for two pigs on the run from an abattoir ended happily with the capture by police of the second

The two Tamworth Ginger pigs were due to be reunited 90 per cent target, despite the IFA laggards, the PIA in a safe haven last night as a frantic media bidding war got under way to save them from the chop. The beamsed owner, road-

to the medium priority cases which have to be cleared up by the end of this year. sweeper Arnoldo Dijulio, Helen Liddell, economic secwas considering five figure retary to the Treasury, yesoffers for the pair - worth only £40-£50 (\$65.20 - \$81.50) terday piedged to keep up each at the abattoir. the pressure on the mis-

A Sunday tabloid newspaper offered £15,000, but the Mis-selling took place in Daily Mail, which captured the late 1980s and early 1990s, when hundreds of thousands of people were wrongly advised to take out personal pensions when they its offer.

would have been better off The five-month-old porkin occupational schemes. ers fled on Thursday last There is clear evidence that many IFAs are making toir in the village of Malslower progress than pen-Sion providers in dealing England, making their Pig - surrendered to the er's looking glum.
with the matter escape by burrowing under charms of Daily Mail It now had a second with the matter.



Happy ending: the second fugitive in the custody of the vet

across an icy river. They went to ground for a

and gardens, while a growing pack of up to 100 jourthe first pig earlier this nalists, well-wishers, police week, was said to have and RSPCA officers scrabraised the stakes by topping bled through bushes and the area.

On Wednesday night one week from Newmans abat- of the duo - nicknamed, among other things, Butch mesbury, in the west of Cassidy and the Sundance the Avon/and now the farm-

a fence and swimming reporter Barbara Davies. her "world oinksclusive" few days in nearby fields account of the coup the next morning, his partner was

hired helicopters to scour week with the unforgettable

But while readers digested

Daily Press newspaper

playing harder to get.

broke the story earlier this headline: Three little piggies went to market/but two went on the run/they saved their bacon/with a swim iv

The regional Western

Now they are in the care of Fleet Street minders until they go to live out their promised retirement in luxury at one of several animal sanctuaries which have offered them a home. First, however, they have

grunted exclusive rights to their story to the Daily Mail. **UK NEWS DIGEST**

Pension opt-out rebates to rise

The government yesterday signalled its determination that the state earnings related pensions scheme should "wither on the vine" by increasing the rebates to those contracting out of the second-tier state pension.

John Denham, the pensions minister, announced that age-related rebates for personal pensions would rise from 3.4 per cent to 3.8 per cent for younger savers and by lesser amounts for older people.

The effect of this is to increase the government's contributions to personal pensions. "This is the most positive gesture yet from the government on personal pensions, said Steven Cameron of Scottish Equitable, the insurer. Mr Denham was forced to act because of projections that millions of holders of personal pensions would opt back into Serps in April, because private pensions had been made less attractive by the abolition in last July's Budget of the tax credit on dividends.

"The rebate increase is enough to allow personal pension-holders to remain contracted out and indicates the government was nervous that lots of people would rejoin Serps," Mr Cameron added.

Sterling fails to daunt Hollywood

Several Hollywood film studios plan to shoot blockbuster productions in the UK this spring, allaying fears the strong pound would prompt a move to other countries.

A 20th Century Fox crew began filming Entrapment, a comedy starring Sean Connery, at Pinewood Studio last week. Next month, a team of Universal executives will prepare for the production of the second of the three Store Wars prequels, directed by George Lucas, at Leavesden Studio in Hertfordshire. Universal, Paramount and Miramax have pencilled in slots to shoot at UK studios in early spring. Stanley Kubrick, the US director, is in his 15th month of shooting Eyes Wide Shut, a thriller starring

Tom Cruise and financed by Warner Bros, at Pinewood. The increase in US-funded productions - including MGM/UA's Tomorrow Never Dies and Warner Bros' forthcoming The Avengers, starring Uma Thurman and Ralph Fiennes - has been one of the chief catalysts for the UK film industry's recent revival. Alice Rawsthorn

BANK OF ENGLAND

MPs want say in appointments

The government is under pressure from respected backbenchers, including Labour MPs, to give the Treasury select committee a formal role in approving the most senior Bank of England appointments.

They have tabled an amendment to the Bank of England bill, debated next week, saying the Treasury committee should have powers to consider the "compe tence and personal independence" of nominees for the posts of Bank governor and deputy governor.

The MPs, led by Labour MP Giles Radice, who chairs the Treasury committee, want similar parliamentary oversight to be exercised in relation to nominees to the monetary policy committee, which sets interest rates.

Mr Radice said they were attempting to address widespread concern that the UK's central bank would become insufficiently accountable to parliament or the British electorate. MPs sponsoring the amendment include Charles Clarke, the former chief of staff to Neil Kinnock when he was Labour leader, and Tony Colman, the abour MP and erstwhile director of Burton, the retailer. Other signatories are Malcolm Bruce, the Liberal Democrat Treasury spokesman, and Tory MPs Quentin Davies and Sir Michael Spicer.

Yarrow signs \$326m Brunei deal

Yarrow Shipbuilders, the Clydeside shipyard owned by General Electric Company, this week signed a contract worth more than £200m (\$326m) to build three offshore patrol ships for the Brunei navy. Construction of the first vessel will start next year. The order will lead to a small increase in the workforce.

Yarrow is the Royal Navy's principal supplier of Type 23 frigates. In February 1996 it won a contract worth nearly £400m for a further three ships of this type and will launch the first in May.



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FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700 Saturday January 17 1998

The Asian contagion

slump has caused jitters on anyway, to keep inflation under Wall Street and is seriously mooted by some US academics, including the former labour secretary. Robert Reich, now professor of social and economic policy at Brandeis university.

They are probably wrong, but the arguments are instructive, At least, there is a risk that the south-east Asian banking crisis will pull down western economies more than is now expected, particularly if there are further unpleasant surprises.

The doomsday case, briefly, is that price deflation of world commodities had already begun before the Asian crisis. The two in combination could push the US into recession and snuff out the beginnings of recovery in continental Europe. Then, with Japan in the doldrums, global recession would feed upon itself.

Central bankers on both sides of the Atlantic no doubt believe they have gained enough wisdom in the past 70 years to head off such a calamity with a icy. Indeed market interest rates in the industrial countries already imply that short term rates this year will be about 1/2 percentage point lower than was expected before the crisis.

The authorities may point to the fact that the direct effects of the crisis are so far localised. Direct exports to the countries most affected are relatively small both from Europe and the US. And the lending of US banks to Thailand, Malaysia, the Philippines, Indonesia and South Korea represents only adverse consequences for about 20 per cent of their international lending - roughly the same as for the UK.

Damping down

Moreover, it is argued, the recent turmoil must be seen in proportion. Debt service payments in Asia last year reprecountries' gross domestic prodper cent for the countries in the in combating inflation. Latin American debt crisis in the early 1980s.

The International Monetary Fund estimated in December slight when the industrial that the crisis would reduce growth in the developed economies this year by about 0.3 percentage points - a significant in Britain after 1987, too much but not disastrous amount. In easing to head off recession the US and UK, it might be could have dire inflationary argued that such a damping down was no more than the cen- It is a very fine balance.

The possibility of a 1930s style tral banks would have sought

analysts have become more pessimistic about the global penalties. The latest consensus of international forecasts puts the growth of world output at 2.5 per cent this year, a full percentage point below the downgraded IMF prediction.

Even this slowing hardly justifies fears of 1930s-style deflation. But it does illustrate the growing uncertainties which now beset policymakers, and so increase the chance that they

Rescue package

In Asia, there are at least four possibilities for things getting worse, and so spreading contagion via other emerging countries to the industrial powers. First (though unlikely) China might be forced into devaluation. Second, the rescue package in any of the countries could prove inadequate. Third, if the Japanese authorities fail to ease fiscal policy, the economy could slide into deep recession. Fourth, there could be a serious default in the region.

Any such development could cause serious upset in the markets, perhaps throttling the flow of funds to emerging countries and further ratcheting down world growth. A further serious worry for the US Federal Reserve would be a collapse of share and property prices. The growth and employment could be much worse than in 1987. when, unlike now, the US economy was plainly overheating.

These are no more than spectres. But they will cast sombre shadows over the central banks discussion of interest rates. The Fed will be more anxious about precipitating a collapse in share sented about 16 per cent of the prices than it might have been 18 months ago. The Bank of uct compared with more than 50 England might soften its rigour

But there is another side of the story. The risk of being over accommodating may seem world's inflation is running at an annual average of only about 21/2 per cent. But, as happened consequences a few years later.

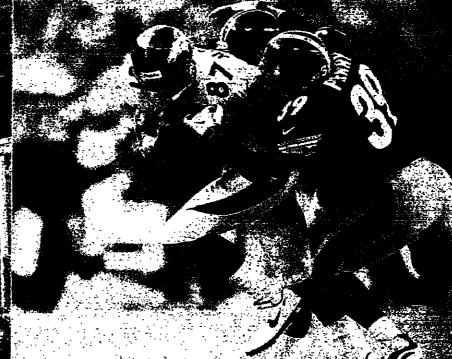
to call "new footwear technolo-

sive marketing campaigns and

gressively higher.

This week, dramatic changes shook up two big consumer businesses: US TV networks and sportswear worldwide. Behind both lie the rising power of popular faces, successful shows and blockbuster brands





Winner takes all

price of hit US television programmes doubled - soaring sixfold in one case. This has started an inflationary chain reaction that will resonate across the world's living rooms.

US consumers and advertisers will be first to pay - through higher prices for TV services and commercials - for the staggering \$18bn broadcasters agreed to pay the National Football League for transmission rights to the next eight years of America's favour-

International viewers may care little for the "pigskin" game, but they will suffer in their turn from the auction's immediate consequence: the bidding frenzy that ended with NBC's offer to pay \$13m an episode for ER, a hospital drama shown round the world, for which the network now pays \$2m an episode. Gene Jankowski, a managing

even more impact than the football contracts. In a market where most TV series sell for no more than \$2m a show, producers of prime-time series will inevitably turn up on the networks' doorsteps demanding higher prices.

Indeed, the door is already open for some. The eponymous star of America's most popular comedy, Seinfeld, another global

continue the series. More actors will demand higher pay, and the costs will be passed down to the consumer. After all, asks Mr Jankowski: "What would you do if you made a hit show and were getting a 10th of the ER price?"

So why are American broadcasters, which have been losing ground to cable TV for years, spending vast sums on blockbuster shows? What do the record fees say about the world of multi-channel TV? And what might be the effects?

The cable industry makes much of the fact that it has eroded the networks' monopoly of the viewing audience to a share of less than 50 per cent. The networks, however, may be down; they are far from out. The big four - NBC, ABC, CBS and Fox - can still claim more than 60 per cent of the prime-time audience each night and they remain the only TV services to provide national coverage.

Cable services can only reach investment bank specialising in works extend. Most of the chanmedia, thinks that deal will have nels on offer target specific Seinfeld, can command advertisgroups of viewers, such as children or music and sports fans. Federal rules oblige them to (see below), the importance and carry all of the broadcast networks, the mass entertainment sumer attractions is soaring. specialists that have traditionally provided "free" television in a are a TV station without football, mix of programmes designed to you are a second-class citizen," offer something for everyone.

For their part, the networks'

Showing a clean pair of heels

rejected fees of \$5m an episode to high disposable incomes, has News Corp, to outbid it in the feld - when promotion for the enabled them to defend their advertising rates - indeed consistently increase them - despite losing viewers to cable. Between 1992 and 1996, when the broadcasters' share of prime time fell 5 percentage points, their advertisrate of more than 7 per cent a ers," says Mr Jankowski. "broadcast is the only show in town."

And football is the only game in town for the networks. More than 130m Americans are expected to watch the approaching Super Bowl, setting yet another audience record. During the winter months, when TV viewing is at its peak, the networks depend on strong weekend and Monday night sports audiences to promote their evening prime-time schedules for the week ahead. With so many channels com-

peting for attention, whoever gets the message out ahead of the crowd and to the biggest audience is most likely to pull viewing rates of \$500,000 for 30 seconds. Rather as in sportswear the price of the most popular con-"It comes down to this: if you

says Mr Jankowski.

CBS learnt that lesson in 1993, blanket coverage, tuned to appeal when it allowed Fox, which is hit, was reportedly offered and to 18-to-50-year-old viewers with owned by Rupert Murdoch's night schedules - following Sein-

previous auction of broadcast rights for football. With the loss of the sport, the network plunged from first to third in the rankings, where it languishes. The fledgling Fox was promoted overnight, and the Big Three which had hitherto dominated viewing became the Big Four. CBS this week attempted to

restore its fortunes by paying \$4bn (twice the old price) to show some American football games. Fox stumped up \$4.4bn for another package of games, and Walt Disney, which owns ABC and the ESPN cable sports channel, followed with a \$9.2bn deal, a grand total of almost \$18hn. That left NBC, the top-rated network, with no football on its schedule for the first time in decades. Time Warner's TNT, the most popular cable channel in the US. was also pushed out of the game.

The NFL, which started the decade earning \$500m a year from TV rights and last year collected just over \$1bn, will enter director at Veronis, Suhler, an as far as their copper wire net- ers on weekday evenings. That is the next century with annual But the pigskin auction was to

be only the prelude. There was more serious business afoot as NBC found itself again on the defensive. Still reeling from the impending loss of Seinfeld, its most popular show, it was forced by counter-bids from the likes of Fox to pay more than six times the current price to keep ER. It had to: ER commands pole position in the network's Thursday

made sense to try to keep up

It was Nike's willingness to

Wall Street was left wondering at the sums involved in the week's transactions: the \$18bn for football rights is only slightly less than the \$19bn paid by Disney for the whole of Capital Cities/ABC two years ago. But investors were pleased to notch up CBS shares on the news that it was coming back to football.

Revenues are likely to rise. A former president at CBS - the network which set the week's spiral in motion - said he expects an immediate increase in cable subscription costs and advertising rates when the new football and television seasons start next

Most analysts reckon that today's asking prices for halfminute football slots, which now range up to \$350,000, are likely to rise more than 12 per cent, compared with "normal" inflation in TV advertising rates of about 6 per cent.

As for the impact on the nettions will appear next November when the TV and football seasons

But it may take years - as many as four, says Mr Jankowski - for the effects on audience pulling power to become apparent at the networks' bottom line. Advertisers and consumers around the world can expect to feel the pinch long before then.

Christopher Parkes

e don't want to compete bead-on with Nike any more." The message from Paul

Fireman, chief executive of the US sportswear group Reebok, After spending hundreds of millions of dollars slugging it out with its rival to sign sponsorship deals with basketball stars. Reebok is switching to custom-made shoes and older customers, and away from mass-producing \$200 sports shoes for kids.

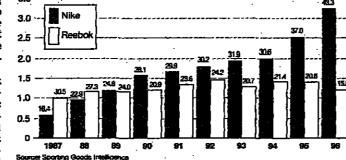
It looked like the white flag in what for the past decade has been one of the business world's fiercest battles, on a par with Coca-Cola/PepsiCo, or General Motors/Ford. Only a decade ago Reebok was

by some distance the dominant force in the US athletic footwear market, having overtaken Nike in the mid-1980s. With annual sales of \$991m and a 31 per cent share of the US market in 1987. Reebok was much larger than its rival, which then boasted sales of only \$597m and an 18 per cent market share. By the start of the 1990s, how-

ever, the two were level. It was at this point the competition intensified as Nike and Reebok battled to develop what they like guy" who fancied himself a "big- famous sports star - the basket-

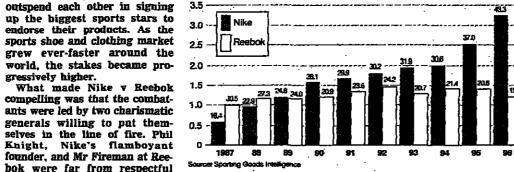
Sports shoes: Nike races ahead

Sales, Son (figure on bar is share of market, %)



Mr Knight spoke of "hating" dismissively of Reebok that "the most innovative piece of R&D equipment they have is the copy machine". In his book Just Do It. author Donald Katz wrote: "Paul Fireman was installed as a semiofficial devil figure inside Nike, and he remains a dark presence

there to this day." In return, Mr Fireman ridiculed Mr Knight as "just a shoe



time presence in sports". He was also confident that Reebok would win. In 1993 he predicted his company would be back to the number one spot in the market within two years.

second place. Nike's triumph was founded primarily on the success of its Air range of shoes, which were sold to millions of consumers with the aid of America's, and later the world's, most

ball player Michael Jordan. by a marketing campaign that established in the minds of consumers a powerful connection between the Air Nike shoe and Jordan's acrobatic feats on the

basketball court. "It was an intuitively simple technology to understand," says John Horan, publisher of Sporting Goods Intelligence, a US ous to consumers that if you put match other brands' successes

Reebok had its own version of the idea in the Pump shoe, and although that proved popular initially, the range never really captured the imagination of the public. Reebok lacked the sort of superstar endorsement for Pump that Jordan provided for Nike's Air. Reebok tried hard to find one, paying vast sums of money to sign up Shaquille O'Neal, bastime pretender to Jordan's throne as the sport's pre-eminent

Yet O'Neal's appeal was limited compared with Jordan's and other figures were no more successful.A new line of expensive Reebok shoes promoted by rising basketball star Allen Iverson recently failed to impress the youth market in the US. "That stuff sells to 14-year-old

boys, and there is a limited number of 14-year-old boys who are going to give you one 150 bucks for a shoe," says Mr Horan. With its domestic market stagnant, and Reebok failing to

pump vast sums of money into promoting its products that, perhaps as much as anything, forced Reebok to concede defeat. As sports shoes and clothing became a fashion phenomenon in

with Nike.

the 1990s, the ability to support a brand with big, sophisticated, kethall's genial giant and a one- and hugely costly marketing and sponsorship campaigns was om Doyle of the **National Sporting Goods**

Association in the US says: "It has a lot to do with the dollars available for sports marketing," and Reebok simply did not have enough dollars. Last year Nike spent almost \$1bn marketing its brands, and Reebok just \$400m. With that . kind of gap it should have been obvious earlier that the fight between the two had become an unequal one. Yet having seen off its great

US rival, Nike would be unwise

to consider its job done. Adidas. the revitalised German sportswear brand, is beginning to steal some of Nike's thunder, particularly at the more fashionconscious end of the youth mar-

pany finally realised it no longer Though it is much smaller than Nike (annual worldwide sales of about \$3.7bn compared to Nike's \$9bn), Adidas appears willing to match Nike dollar for dollar in what is rapidly becoming sport's new battle of the brands. It recently signed several young US basketball stars to multi-million dollar endorsement deals, and outbid Nike to win the \$45m All Blacks rugby sponsorship contract. John Hartley of the London advertising agency Howell Henry Chaldicott Lury, who worked on the Adidas account at a previous firm. believes Adidas has replaced Reebok as Nike's real rival. . :

This particular war, he says, will be fought on a new battlefield. "It will take Nike years to overtake Adidas in Europe, and Adidas years to catch up with Nike in the US, so it's all about new markets in places like Asia," he says. "It's the virgin territory that will decide who ultimately wins."

Patrick Harverson

Openness, not institutions

From Mr Jon Livesey. Sir, I read with interest George Bain's comment (Letters, January 9) that a body such as Mr George Soros envisages ("Avoidalready exists in the form of the Multilateral Investment Guarantee Agency. According to the latest figures on that body's own web page, the amount it has guaranteed is \$2.9bn. At a guess, that is about one week's worth of South Korea's foreign indebtedness, and perhaps something less than 1 per cent of the debt overhang the International Monetary Fund is currently trying to deal

More to the point, supposing the MIGA actually had guaranteed the roughly \$150bn of Korean debt and perhaps \$150bn of other debt we seem to be con-

fronting. What exactly could it do that the IMF won't do? Guarantees are fine in times of gradual defaults, or when the risks are limited to specific, nonwith the current MIGA. But when huge amounts of debt go bad at once, we don't need guarantees, much less another international bureaucracy. We need a great deal more openness on the

We need to have more rigorous and investigative lenders, who demand full disclosure from borrowers. We do not need cries of 'stop me before I lend again".

part of borrowers than we have

Jon Livesey, 830 San Lucas Ave. Mountain View, CA 94043. US

·LETTERS TO THE EDITOR·

Number One Southwark Bridge, London SE1 9HL We are keen to encourage letters from readers around the world. Letters may be fixed to +44 171-873 5938 (please set fax to 'fine'). e.mail: letters.editor@fi.com
Published letters are also available on the FT web site, http://www.FT.com
Translation may be available for letters written in the main international languages.

A price not worth paying for Emu

From Mr Robert Rainford. Sir. Your leader "How to make Emu work" (January 13) rightly identifies the EU's lack of institutions, labour market inflexibilities and uncommon fiscal policies, which will all act against the environment for a successful Emu. Your conclusion that the single currency is worth striving for as the way to get Europe's 19m unemployed back to work is not supported by the results of the ERM experiment. Unemploy-

ment rates in France and Germany are frighteningly high and could result in social unrest. Social and industrial policies proposed by Lionel Jospin, the French prime minister, will result in increased labour costs for industry and reduce France's competitiveness. Both countries have yet to implement many of the reforms that the UK has implemented over the past 17 years, and which will probably result in a continuing rise in

unemployment for both. Is it not the case that it is the French and German unemployed who continue to pay the price of the Emu experiment in their countries. I, for one, do not believe that increased unemployment in the UK is a price worth paying to join Emu

Robert Rainford. 62 Michelham Gardens, Twickenham. Middlesex TW1 4SB, UK

A leader above others

From Mr Neil Hayter. Sir, It was at first sad to see no mention of Jo Grimond in John Ramsden's review of The Lost Leaders (Weekend FT: "The three pretenders", January 10-11), for surely he was head and shoulders above mere calculating politicians like Rab Butler and Jain Macleod. But then, rather than

be considered with such people perhaps he should be regarded as the best president we have never had of the republic the UK has yet to mature into.

40 Central Way, Oxted. Surrey RHS OLZ, UK

Right in one instance only

From Mr Dave Clayman. Sir. Tony Jackson's article on deflation ("The stuff of nightmares", January 10-11) refers to "conventional LIFO accounting" - true in the US, false in the UK. The conclusion he draws only makes sense if FIFO is substituted, but then this would be

truly conventional in the UK. falsely so in the US. How hard it is to be an international financial newspaper.

Dave Clayman, 118 Grapetree Dr., Key Biscayne, Florida 83149, US

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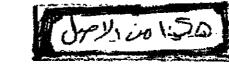
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COMMENT & ANALYSIS

Man in the News · Augusto Pinochet

General in his labyrinth

Chile's former dictator won't retire gracefully, says Imogen Mark

ter of a century as Chile's The general had, after all, delaying the handover until behaved unexpectedly well March 10, the last possible when he handed over to a day, it had been rattled by a civilian government, in threat from junior congress-March 1990, after 17 years in men to press charges of conpower. (Admittedly he had stitutional misbehaviour on just been soundly beaten in the old general. President a national referendum to Frei, who had told the nation that Gen Pinochet Now, to ease his withwould be abandoning his drawal from the military, Eduardo Frei, Chile's presipost in January, was left

was never

going to go qui-

etly. But at least,

the government

hoped, General Augusto Pinochet might go decorously when he finally

resigned after nearly a quar-

dent, was prepared to turn a

blind eve to the massive.

expensive – and entirely irregular – military parade being planned as a final act

of homage. In exchange, the

baton to his successor on

January 26 before taking up his seat as a senator for life.

Parliamentary immunity

would protect him against .

any attempted prosecution

for his responsibility in the

murder, torture and disap-

pearance of thousands of

political opponents. The

police would deal swiftly,

and no doubt roughly, with

any public demonstrations

on the day the general gave

up his command. Congress would close immediately for

the summer recess.

eneral was to pass over the

army commander.

prolong his rule.)

looking foolish. deepened with the resignation on Thursday of the defence minister, who left warning that relations with the military were "very delicate". The government now appears uncertain what to do in the face of army pressure to get its rebellious congressmen to drop the charges.

At 83, the general is patently no longer the man he was when he came to power in the 1973 coup that overthrew Salvador Allende, the elected president. But this week's events demonstrate that he, and more particularly the army that he has nurtured, still plays a big role in Chilean politics. In his early years he was

But plans went badly the image of a Latin Ameriawry this week. On Tuesday the army announced it was the dark glasses, the pugna-

cious jaw and the bulked-out silhouette of the bullet-proof vest. Nowadays, "the old man" - as even his subordinates refer to him affectionately - often looks shaky on his feet. His speech, high-pitched and never very distinct, is sometimes incoherent. Though he bas taken to computer war games with enthusiasm - on one occa-The constitutional crisis sion the computer's magnetic field affected his pacemaker and sent him into hospital with dangerously high blood pressure - the

army knows it needs more

modern and professional

leadership. But such has been Gen Pinochet's looming presence in Chilean affairs over the past two and a half decades that, in some ways, his constitutional legacy remains as strong as ever. His successor. General Ricardo Izurieta, will have an overtly political role. Along with the other three services, the army has the right to nominate a former commander to sit in the senate. In the new congress, the army will have two senators, including Gen

Pinochet: the airforce and

one designated and one

The four serving military commanders also sit on the eight-man national security council, equalling the votes of the president and the other three civilians. The council is there to advise the president, but the military can petition him to call it when they see fit. They are defined as the guarantors of the constitution, and can legitimately intervene whenever they judge it to be threatened

Gen Pinochet has also ensured the armed forces a spectacular degree of financial autonomy. They receive an annual 10 per cent of the huge sales revenues of Codelco, the state copper company. Their peso budget is index-linked. Most distressing for Chile's democrats, the president - who is commander-in-chief of the armed forces only in time of war - cannot dismiss any officer, even the lowliest.

For past and present democratic governments, this situation is intolerable. It is also hard to change. All their attempts, three in all. can dictator, right down to the navy will have one each; to reform the constitution and the police will have two and abolish the military

enclaves have been blocked by the rightwing opposition. The two main opposition parties remain loyal to the general and the armed forces whom they supported and in whose government they served.

But the situation could be changing. Many opposition leaders would privately be glad to see Gen Pinochet consigned to the history books. His presence in the senate will not be easy for them to handle, particularly as he is talking of playing an active role - promoting social legislation and "being a friend to all Chileans".

Gen Pinochet, far from expressing penitence for his actions during miliary rule, to this day defends his record as the saviour of the country. If not for him. he says, Chile would have remained a backward country in the hands of communists, instead of Latin America's most consistently successful economy over the past 15 years.

But for his opponents the general's status as a senator is a source of anger for personal and political reasons. "I will have to sit in the chamber every day and look across at the man who killed and tortured my friends. kept me in a concentration camp for a year and banned me from entering my own country for 11 years," says Sergio Bitar, a senator.

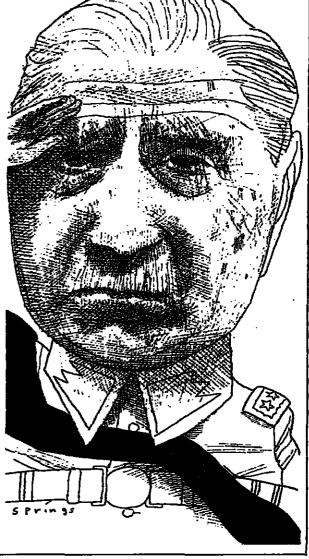
Personal issues aside, says Mr Bitar, "Pinochet closed congress, burned the electoral registers, did whatever he could to delegitimise politics. Having him installed in the senate will discredit congress completely".

In the new congress, elected in December and due to take its seats on March 11, the government will be as far as ever from the twoconstitutional reform. But the prospect of having to cohabit with the old dictator has sparked a new determination in Mr Bitar and many of his colleagues. They are preparing to organise a national campaign for a referendum to demand consti-

such "posturing" as irrelevant and a waste of time. The government should not potential threat to Chile's impressive economic growth from the Asian crisis. Gen Pinochet is a real issue, retort his opponents. Government should be for, with and by the people, not for, with and by the army.

The opposition regards

In the end, they say, that is the only true guarantee of social and economic stabil-



Executives are still being murdered in Russia but crime is down and the state is fighting back, says John Thornhill

Making a killing

s Yevgeny Tsimbal-istov, the 49-yearold director of the vast Rossiya hotel on Red Square, left his apartment in south east Moscow last Friday, he was clinically dispatched with two shots to the head and chest from a Makarov pistol. No one saw the incident. No arrests have

Mr Tsimbalistov became this year's first noted contract killing and the latest erim statistic in Russia's struggle against crime.

Just as many associated the Soviet Union with bleak authoritarianism and the hammer and sickle, so modern Russia conjures up the authorities may finally images of lawlessness and

mafia is threatening the very improved. integrity of the state and turning the country into a "superpower of crime". In the past six years. Mr Yeltsin has ordered seven crack- succeeded in stopping the downs on organised crime to little obvious effect. The interior ministry claims that two-thirds of the Russian economy is under the sway of organised crime, including 40 per cent of the country's private businesses and more

Christopher fai

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Patrick Harry

e others

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Shows the grade of

nstance only

than half its 1,740 banks. Such concerns have been amplified abroad. Last year. the Center for Strategic and International Studies, a Washington-based institute, warned that Russian organised crime represented a grave threat to western security interests. Unless the danger was confronted, it would "become impossible for the United States and other-states to have traditional satisfactory dealings with an emergent Russian criminal-syndicalist state," it

concluded. But public discussion about crime is, by its very

ail passengers delayed on a wind-swept station plat-form or crushed

into their neighbour's arm-

lytical clarity. Decent, sia is following the same patstruggle to obtain foreign by the ill thought out link- growth resumes. ages between Russia and

Thousands of domestic and foreign businesses operate in Russia without being harassed by hoods, they argue, while the streets of Russian cities feel safer than those of some US, let alone Brazilian or South African, cities. Besides, why does everyone talk about "organised" crime in Russia when every activity is so disorgan-

There is some hope that be shaking down the crimi-Boris Yeltsin, Russia's fallen by 8.7 per cent last

> "Thanks to the collective efforts of the law enforcemachine as a whole, we have growth of crime in the country, in establishing control over the the crime situation." Mr Skuratov said.

But, as ever with Russia, the bare statistics - even assuming they are reliable are open to interpretation. The benign view is that Rus-

Just as many associated the Soviet Union with authoritarianism, so modern Russia conjures up images of lawlessness and

the Kalashnikov ble passions and lack of ana-

law-abiding citizens, who tern as other transition countries, namely that crime visas, are gravely offended rates drop as economic

Moreover, those criminals who stole assets in the turmoil attending the break-up of the Soviet economy now have a strong interest in defending their property rights, preferably by legitimate means, just as the children of America's nineteenth-century "robber barons" turned into the great and the good.

But the more sinister interpretation is that criminal organisations - which recent academic studies suggest are often best analysed more organised, and more

Much criminal activity ment bodies, of the state such as prostitution rings, gambling, smuggling, counterfeiting - is marked by relatively low costs of entry and strong competition. That makes earnings volatile and demands high security costs both to protect one's own business and eliminate oth-

> Such considerations provide a strong incentive for criminal organisations to infiltrate established businesses and to enter into collusive agreements with government officials to defend their "rent seeking" activities. It is that alarming trend which appears to be gather-

> ing pace in Russia. Oleg Babinov, director of the Moscow office of the Risk Advisory Group, a security consultancy, says crime is threatening Russia's prospects of economic recovery, deterring both foreign and domestic investment, and small businesses.

ing under severe pressure

from the financial-industrial groups, from the big banks and oil companies, as well as gan era. The challenge is to foreign investors to address this problem," he says. find an heir to his

"The Russian government has a clear and authentic intent to squeeze organised crime from many sectors of the economy and to marginalise and suppress it."

But defining who is and who is not criminal is difficult in Russia's anarchic market economy. The onus is on the government to clarify, strengthen, and enforce the rules of the game to reduce the causes of crime and encourage legitimate

The liberalisation of Rusas rational businesses - are sia's once-restrictive foreign the Kalashnikov, with the nals. This week, Yuri Skura cartelising the market and trade regime has already Russian "mafia" at the heart tov, the prosecutor general, moving further up the drained several pools of cor-of the action. "value added chain". As Mr ruption. The introduction of Skuratov also noted, "crime transparent and competitive president, once said that the year. Detection rates is becoming more armed, auctions for state contracts and privatisations is reducing the opportunities for criminal collusion.

The shredding of much red tape, the promised introduction of a fair tax code, and the development of an effective court system, may also persuade many shadowy companies that it is simply cheaper to act legally than

illegally. But some ministers, such as Anatoly Kulikov, the increasingly-powerful interior minister, are thought to be contemplating far more drastic responses - to the alarm of some observers.

"Kulikov is talking about grossly authoritarian and extra-constitutional measures that will not hit the people who are clever, and powerful, and rich. All it will do is alienate the people whom the state wants to get on its side," says Mark Galeotti, a British crime expert.

"Organised crime has almost never been defeated by police action. It depends stalling the development of on an upsurge of political, and social, and economic "I think the state is com- pressures to force it to the

hen the Repub-lican National Committee they will be baunted as always by the political ghost of the most revered Republican president this century. It is hardly surprising that so many are looking back with nostalgia at the Ronald Rea-

When he galloped into the sunset in 1989, some in the US shed tears, but most felt no great loss. George Bush was securing the Reagan legacy, and many felt it was time for a change - for "a kinder gentler America".

Nearly a decade later, with a Democratic president in his second term in the White House, the Republican party is finding it misses Mr Reagan intensely. Despite electoral success in Congress, the conservatives are deeply divided between libertarians and social conservatives. Yearning for a charismatic leader to push for simple policies they could all agree on - cutting taxes, bashing big government, waging an aggressive cold war -today's disparate leaders are outdoing each other in paying tribute to him.

Dinesh D'Souza misses the Gipper more than most. At one time a junior policy adviser in the Reagan White House and now best known as an opponent of affirmative action. Mr D'Souza has taken on a new task: to "solve the mystery" of Ronald Reagan. In doing so, Mr D'Souza is clearly boping to do more than simply examine Mr Reagan's extraordinary career. He wants to uncover the lessons of his leadership so today's Repub-licans - who he sees as "utterly bereft of either the vision or the resolution to pursue any major new initiatives" - can seize control back from the detested Mr

Clinton. As a result, Mr D'Souza's book is less biography than an intellectual defence of the Reagan years. He makes affair. only a token attempt to discuss Mr Reagan's life outside acknowledged, while Reagan the presidency. Mr D'Souza was intensely ideological, he opposes the view that Mr

One for the Gipper

Mark Suzman examines the US Republicans' nostalgia for the Reagan years



Ronald Reagan: evokes nostalgia among Republicans

lightweight whose achieve- of the Oval office like Richments, such as they were, ard Nixon, Jimmy Carter. were due to "pure luck".

While it is true that many assert the Reagan boom pur- indifference" to "the comchased prosperity through unsustainable deficits, and the Soviet Union's collapse nal problems, few would deny that Mr Reagan deserves some credit for both events.

D'Souza. Mr Reagan was "the supreme statesman of his era, a leader of the calibre of Charles de Gaulle and Winston Churchill". Mr D'Souza tries too hard to cast Mr Reagan's flaws as such as the Iran-Contra

As his supporters willingly was certainly no intellectual.

Reagan was an intellectual In contrast to other holders George Bush and even Mr Clinton, he showed a "blithe plexity of executive responsi-

bility". Nevertheless. Mr D'Souza argues that that lack was more than compensated for by his "moral imagination" - the unshakeable belief that good would triumph over evil and the That is not enough for Mr details would work them-

to focus on the big picture, but his tenure included some famous lapses, which are difficult to explain away. He failed to recognise his own virtues and plays down gen- housing secretary at a maynine errors of judgment, ors' meeting, and agreed to rearrange the timing of some official meetings at the behest of his wife's astrologer. Undaunted, Mr D'Souza

Mr Reagan had an ability

ening. He also argues that the meticulous scripting of the old actor's daily schedule is evidence of focus rather than incompetence.

Mr D'Souza is most interesting when trying to uncover the reasons for Mr Reagan's enduring popularity, in particular with the working and middle classes - the so-called Reagan Democrats - who have now largely given their allegiance to Mr Clinton.

The key, Mr D'Souza argues, was that Mr Reagan was able to give the impression of being less fierce than his rhetoric. He would berate big government or the Soviets with a twinkle in his eye. suggesting he didn't quite mean it. He would make inflexible statements of principle and then prove remarkably pragmatic in cutting

That is exactly what today's new-Right firebrands are unable to do. In Mr D'Souza's useful phrase. they are largely "Old Testament" politicians in the tradition of Barry Goldwater, the hardline Republican candidate who was crushed by Lyndon Johnson in the 1964 presidential race. They are ideologues convinced of their own rectitude and heedless of others' views.

Mr Reagan, by contrast, a former New Deal Democrat himself, was never absolutely hostile to what Franklin Roosevelt wrought. He merely felt it belonged to a different time and place. To end the US malaise at the end of the 1970s, the American people needed to be persuaded that a new approach was needed. No one could do that better than the Great Communicator.

The Republicans have now reverted. While a new generation of leaders may be competing to claim Mr Reagan's mantle ahead of the 2000 presidential race, none has his statute style or popular touch. To the relief of his opponents and to Mr D'Souza's everlasting regret, the old movie star was very much an American original.

Ronald Reagan: How an Ordinary Man Became an Extraordinary Leader, Dinesh D'Souza, Free Press,

Privatisation comes off the rails

Many of the new UK train companies are failing to do their job, says Charles Batchelor viding a dreaful level of ser- says Bill Bradshaw, a trans- nearest thing to war." said owned operator of London to problems with track, private operator took over,

pit in an overcrowded carriage have long known that all was not well. But this week's review of train company performance by John O'Brien, an official who to bring the benefits expecoversees the workings of the ted. privatised railways, has pro-

tion that services have got worse since privatisation. The 25 privatised train trains and hitter legal dishand over 22.4m (\$3.9m) in new rail companies - have penalties to the state during not come to pass. What has the last three months of happened is a more mun-1997 for running unpunc- dane but no less damaging tual trains. In the same failure of everyday manageperiod of 1996 the compa-ment. This is something that nies receivedbonus pay- even the traditional excuse ments of £290,000 for good of blaming Britain's not parperformance from the gov-ticularly severe weather ernment. ("trains are delayed because

rnment. ("trains are delayed because Rail privatisation was a. of the wrong kind of snow") British invention and a can no longer hide. notable export. In some "The new train companies tina, it has brought some costs and took out a whole lines that which were pro- and senior supervisors."

vice before. But in its home port academic and former Roger Ford, industry editor suburban services, admitted power supply or signalling. BR is not the comparison," market, it has so far failed. British Rail manager. "They of Modern Railways maga-True, the worst fears convided unequivocal confirma- jured up by opponents of didn't actually drive trains 30 trains coming into your privatisation before the their role was not very

event - visions of crashed clear, so they went." David Bertram, chairman operating companies had to putes between the many of the Central Rail Users' Consultative Committee, the says: "Whatever people think about running a railway, the realities are rather feel that loyalty. different when you lift the has not been enough attention to detail."

countries, such as Argen-made a blind rush at cutting that BR, for all its fallings, taking sick leave. inspired in the past, accordnotable improvements on layer of junior managers ing to some rail experts.

were the people who knew zine and a former BR manhow to make a timetable ager. "You need enthusiasm work. But because they and motivation to deal with depot for an overnight wash and change of brake linings." Staff faced with the prospect of redundancy because wage costs are one main passenger watchdog, of the few areas where the train operators can trim

It may be no coincidence corner of the stone. There that Connex South Eastern, the most heavily penalised rail company in the recent In addition to sacking the review, faces staff shortages wrong people, some new at one of its main repair and train operators have failed maintenance depots and has to instil the corporate pride a high incidence of drivers

"has to get back to basics". sheep from the goats in the

railway business, but all siderable challenge in meeting the expectations created expenditure are unlikely to transparency required from private companies means that failures which BR could

backlog of underinvestment before privatisation. in both infrastructure and But this does not satisfy rolling stock that will take its critics. "It is all very Geoff Harrison-Mee, man- years to make up. aging director of Connex

"Running a railway is the South Central, the French- per cent of train failures due but two years after the first move fast if they are to have yet to deliver.

to a gathering of rail man- it is crucial that Railtrack says Mr Ford. agers this week that the maintains the momentum of company, which has shed its £16bn 10-year refurbishvene most directly to penal-

> tions at his disposal. The Association of Train ers that recent performance

applying the range of sanc-

well for ATOC to say things is close to being over". With between 60 and 70 are better than under BR.

The benchmark for the

companies that are failing more than 300 employees, ment programme. But while to deliver is the more suc-Railtrack is penalised for cessful ones such as Sco-Effective management is train delays that are its tRail, LTS Rail and Great what distinguishes the responsibility, there are North Eastern, which fears that the incentives in appear to be meeting pasthe system are ineffective. senger needs. Critics of pritrain companies face a con- Mr O'Brien, who can inter- vatisation argued that the industry was being unduly ise bad performance, has so fragmented, but this is now by the sell-off of BR. The far proved cautious in starting to provide a lever for higher standards.

But two years into what in many cases are seven hide are exposed to public Operating Companies count- year franchises the train companies are running out At the same time, opera- levels have still been better of time. John Welsby, chairtors have to cope with a than in 1993-1995, just man of British Rail, which advises the government on rail issues, warned this week that "the honeymoon

The train operators must



avoid renewed government intervention. Freedom from the constraints of direct political interference and public sector spending congation many in the industry

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Prospects for oil bring little cheer

MARKETS REPORT

By Susanna Voyte

World oil prices rose slightly yesterday, but the price remained within the depressed range of this week. In afternoon trading on London's International Petroleum Exchange, Brent Blend for February delivery the international benchmark - was at \$15.38 a barrel. 16 cents up on Thursday's close.

The lack of serious upward movement will have done little to cheer petroleum producers. Oil is running \$4 a barrel lower than last year's average, and with the seasonal spring lull in demand approaching there is little optimism about. "Supplies are rising,

demand is falling - it's as simple as that," said one London-based broker. "The bearish fundamentals are still bearish."

Precious metals had a mixed day with the price of gold and silver rising, while platinum and palladium both fell.

Gold was "fixed" yesterday afternoon at \$290 a troy ounce, against \$287.35 at the morning fix and \$282.50 on Thursday afternoon. The rise meant a gain of nearly \$13 on the week, during volatile trading.

The price of spot gold spiked to \$295 on fund shortcovering in New York, Traders said the US rise was sparked by the weakness of the dollar against the Japanese yen. Silver moved with gold, although more slowly. Prices ended the day at 584.5 cents a troy ounce, against

Source: Da LME v

579 cents.

again on Monday.

don at \$391.50.

Platinum vesterday fell to \$377 a troy ounce - against \$384.50 in the morning while palladium was at \$227 a troy ounce against \$233.50

WEEKLY PRICE CHANGES

	Latest	Change			7/98
	prices	on week	ago	High	Low
Gold per troy oz	\$229.65	+10.10	\$365.20	\$369.65	\$279.55
Silver per tray az	361.30p	+6.30	285.50p	375 <i>.5</i> 0p	253.30p
Aluminium 99.7% (cash)	\$1436.5	+28 5	\$1580	\$1787.5	\$1410
Copper Grade A (cash)	\$1715.5	+75	\$2464.5	S2704	\$1640.50
Lead (cashi	\$526.5	-43.5	\$704.5	\$725.5	\$511
Nickel (cash)	\$5522.5	-445	\$7255	\$8220	\$5522.5
Zinc SHG (cash)	\$1128.5	+59	\$1112	\$1763.5	\$1044
Tin (cash)	\$5165.5	-60.5	\$5995	\$6050	\$5165.5
Cocoa Futures Mar	£1022	-26	2879	£1136	£847
Coffee Futures Jan	\$1810	+50	\$1385	\$2470	\$1232
Sugar (LDP Raw)	\$271.40	-17. 2 0	\$260.00	S311.00	\$263.00
Barley Futures Jan	273.50	-0.75	290.25	£36.50	273.50
Wheat Futures Jan	277.65	-2.00	£91.70	£102.20	275.50
Cotton Outlook A Index	71.20c	-1 45	79.20c	82.25c	71.20c
Wool (64s Super)	385p	+5	420p	448p	380p
Oil (Brent Blend)	\$15.385x	-0.395	\$22.85	S24.95	\$15,385

	Close
_	Previous
	High/low
	AM Official
	Kerb close
	Open int.
lend, 2-month forward	Total daily tumover
arel)	■ LEAD (\$ per tor
	Close
	Previous
	High/low
·- · · ·	AM Official
	Kerb close
	Open int.
WWW.	Total daily turnover
	MINICKEL IS per 1
	Close
	Previous
	High/low
	AM Official
1997 98	
alastream/ICV	Kerb close
varebouse stocks*	Open int.
	Total daily turnover
Tonnes Chance	- Thi # t

BASE METALS

LONDON METAL EXCHANGE M ALUMINIUM, 99.7 PURITY IS per tonne

1493.5-94

273,723

62,077

1328-31

5,263 239

519-20

5475-80

56,282 14,179

5160-70

5150-55

14,355 2,500

1104-04.5

ZINC, special high grade (\$ per tonne)

M ALUMINIUM ALLOY IS per to

■ LEAD (\$ per tonne)

■ NICKEL (S per tonne)

TIN (5 per torm

Close Previou

High/low AM Official Kerb close Open int.

Open Int.

1527/1498

1350-52 1367/1355 1355-56

5610-15 5610-15 5640/5570 5575-85

5200-05

5190-95 5210/5175

5170-75

1152-53 1125-26 1164/1127

1127-28

-50 -60 -700 -25 -12 340,550 111,550 65.880 1,200 -130 487,575 13,075 its previous London close of Platinum and palladium

prices fell in London after overnight losses in Asia. "Participants have realised that the market was overbought," said a broker. "Prices may fall by the limit Prices for both metals had

risen through the week on fears of another long delay in exports of palladium from Russia. This took palladium prices to an 18-year peak of \$248.50 a troy ounce early on Wednesday, while platinum prices rose by \$30 a troy ounce, or nearly 9 per cent, on Thursday to close in Lon-

and \$243.50 respectively.

3 months 6 months 1 year

Gold(Troy oz) \$ price

287.90-288.30

287.35

287.00-287.40

.3.78 6 months ..

359.80

361.00 360.30

Bond prices slip as equities rally GOVERNMENT BONDS

WORLD BOND PRICES

By John Labate in New York and Simon Davies in London

came under further selling pressure vesterday, as world stock markets continued to

London attang. "New York classing.

 $104\frac{10}{32}$, yielding 5.807 per cent. per cent. "The main story rate rise was necessary for also lower as the 10-year ing continues to be very tract settled ¼ down at 123 $^{6}_{10}$ note lost ¼ at 104%, yielding strong," said Maureen in quiet trading.
5.529 per cent while the two- Maitland, domestic econo- GERMAN BUNDS also Government bond markets year note lost 🛔 at 100%, mist at Donaldson, Lufkin & benefited from weak retail yielding 5.349 per cent.

turing sector also set a bear- through have not been felt ITALIAN BTPs underperish tone. Industrial produc- yet." US TREASURY prices tion rose 0.5 per cent in moved lower in an abbrevi- December, after a 0.8 per of their early losses, follow- council member over Italy's

BENCHM	ARK (GOVER	RNME	NT E	OND	S		
	Red		Bid	B ₂ d	Day chg	_	Month	Year
Jan 16	Date	Coupan	Pnce	Yield	yield	vield	chg yld	chg ykt
Australia	04/00	7.000	103.6704	5.23	+0.08	+0.15	-0.34	-0.98
	10/07	10.000	130.3573	5.82	+0.13	+0.18	-0.39	-1.58
Austria	09-99		104 4700	4,14	-0.02	-0.04	-0.29	+0.51
	07/07	5.625	103.2600	5.19	+0.01		-0.21	-0.54
Belgium	01/00	4.000	99.9100	4.05		-0.10	-0.38	+0.57
	03/07	6.250 1	107.6800	5.18	+0.02	+0 01	-0.26	-0.58
Canada	09/99	4.750	99.8900	4.82		+0.16	-0.40	+0.76
	06/07		113.8000	5.33	+0.03	+0.06	-0.40	-1,30
Denmark	12/99		103.0500	4.28		+0.03	-0.29	+0.49
	11/07		12.0100	5.39		+0.04	-0.31	-0.94
Finland	01/99		108.7981	3.82		+0.11	-0.25	+0.28
	04/06		13.7150	5.16		+0.02	-0.29	-0.83
France	01/00		99.9900	4.00		-0.05	-0.34	+0.69
	10/04 10/07		111.2300 103.1200	4.76 5.08		-0.03	-0.29 -0.24	-0.22 -0.48
	10/25		04.6000	5.67	+0.02	+0.05	-0.18	-0.90
Germany	09/99		00.2200	3.85	-0.06	-0.08	-0.34	+0.57
Остишну	11/04		15.2000	4.82		-0.04	-0.33	-0.46
	07/07		08.7200	5.08			-0.23	-0.59
	07/27		11.8500	5.66		+0.01	-0.22	-0.91
iretand	04/99	8.250 t	01.8500	4.78	-0.01	+0.06	-0.29	-1.08
	08/06		17.7000	5.36	+0.02	+0.03	-0.24	-1.22
Italy	05/00	6,000 1	02.5400	4.82	+0.10	+0.14	-0.15	-1.36
letal	05/02		04.7100	5.02		+0.10	-0.23	-1.43
	07/07		09.5400	5.44	+0.06	+0.09	-0.23	-1.88
	11/26	7.250 1	18.1000	5.93	+0.05	+0.10	-0.22	-1,94
Jepan	03/00	6,400 7	12.4200	0.59	+0.02	-0.03	-0.08	-0.11
-	12/02		16.8600	1.25	+0.03	+0.01	-0.07	-0.50
	09/05		09.2200	1.71	+0.04	+0.04	-0.05	-0.69
	09/17		07.1500	2.54	+0.04	+0.04	-0.04	-0.71
Notherlands	11/99		05 9400	4.03	-	-0.05	-0.34	+0.52
	02/07		05.0400	5.04		-0.02	-0.24	-0.50
New Zepland	02/00		98,4248	7,34	+0.02	-0.27	-0.62	+0.39
	11/06		08.4689	6.69	+0.12	-0.09	-0.72	-0.62
Norway	01/98		04.6900	4.23			-0.20	+0.39
	01/07		10.1900	5,29	+0.01	-0.01	-0.22	-0.63
Portugal	03/39		04.4597	4.49	+0.01	+0.04	-0.31	-0.97
	02/07		08.6091	5.40	+0.02		-0.26	-1.24
Spain	07/99		04.1914	4.46		+0.06	-0.14	-0.83
	03/07		13.9640	5.38	+0.03	+0.03	-0.22	-1.28
Sweden	01/99	11.000 1		4.84	+0.01		-0.27	+0.55
	08/07		17 1150	5.63	+0.03	+0.05	-0.40	-0.98
Switzerland	03/00		06.8700	1.70	+0.05	+0.01	-0.32	-0.22
	QE/07		11 4900	3.07	-0.02	-0.05	-0.27	-0.67
UK	08/99		98.8984	6.75	+0.04	+0.14	-0.10	+0.29
	11/04		02.9688	6.21	+0.02	+0.09	-0.22	-0.98
	12/07		08.6016	6.08	+0.02	+0.07	-0.24	-1.33
	06/21		24.3594	6.04	+0.02	+0.07	-0.25	-1.56
US	10/99		00.4060	5.38	+0 08	+0.19	-0.33	-0.60
	11/04		13.2890	5 51	+0.04	+0.15	-0.30	-0.81
	08/07 08/27		04,4380 07.5550	5.52	+0.05	+0.13	-0.28	-1.03 -0.99
	J0721	0.313	07.3330	5.64	+0.06	+0.08	-0.20	-0.39

4.22 -0.02 -0.04 5.20 +0.01 -0.01

-0.38 -0.24

-0.81

Shorter-term issues were here is non-auto manufactur- the moment. The March con-Jenrette. "Any effects of sales figures, but still ended A report on the manufac- Asia that might come the day down 0.01 at 106.30.

UK GILTS recovered most concerns from a Bundesbank cent rise in November. ing comments from a Ger- Emu prospects. The spread

Price

the benchmark 30-year Trea- Capacity utilisation inched man Bundesbank official against bunds narrowed by sury bond plunged 🖀 at higher in December, to 83.4 suggesting that no German 2 basis points to 36. **US INTEREST RATES** Treasury Billis and Bond Yields

I NOTH	ONAL FRE							
	Open	Sett pric	e Chang	e Hk	jh	Low	Est vol	Open in
Mar	102.68	102.86				102.64	97,799	137,042
Jun	102.00	102.16				102.00	142	2,513
Sep SELONO	101.76 TERM FR	101.92 ENCH BC	-0.28 TO OPT		-	101.75	2	-
Strike			LLS		******		PUTS	
ounce Price	Jar		ab	Mar			Feb	Mar
97	4.9	-	94	4.34			0.02	0.16
ar Ar	3.9		97	3.49	0.0	_	0.02	5.29
99	2.9		.04	271	0.0		0.12	0.50
100	2.0		.15	2.03	0.1		0.22	0.81
101	1.1	3 1.	37	1.46	0.	19	0.43	1.22
NOTE:	ONAL GER	MAN BUN	ID FUTU	PRES (LIF	HE). D	M250,00	00 100ths	of 100%
	Open		Chang			Low		-
	106.11	106.30	-0.01	106.	37 1	05.04	182153	263223
Jun	105.11 105.57	106.30 105.73	-0.01	106. 105.	37 1 73 1	105.04 105.57	182153 790	-
Jun BUND	106.11	106.30 105.73 OPTION	-0.01 S (LIFFE)	106. 105.	37 1 73 1	105.04 105.57 Dints of 1	182153 790 100%	263223
Jun Sunc Strike	105.11 105.57 FUTURES	106.30 105.73 OPTION	-0.01 S (LIFFE)	105. 105. DM250,	37 1 73 1 000 px	105.04 105.57 pints of 1	182153 790 100%	263223 3886
Jun BUND Strike Price	105.11 105.57 FUTURES	106.30 105.73 OPTION: Mar	-0.01 S (LIFFE) LLS Apr	106.: 105.: DM250, Jun	37 1 73 1 000 pc	105.04 105.57 Dints of 1	182153 790 00% Putts Apr	263223 3886 Jun
Jun BUND Strike Price 19600	105.11 105.57 FUTURES	106.30 105.73 OPTION: CA Mar 0.86	-0.01 S (LIFFE) ALLS Apr 0.80	105. 105. DM250,	37 1 73 1 000 px	105.04 105.57 pints of 1	182153 790 100%	263223 3886
Jun Strike Price 19600 19650 19700	105.11 105.57 FUTURES Feb 0.47 0.19 0.06	106.30 105.73 OPTION: Mar 0.86 0.59 0.36	-0.01 S (LIFFE) Apr 0.20 0.58 0.42	106.5 105.5 DM250, Jun 1.14 0.91	73 1 000 px Feb 0.17 0.39 0.76	105.04 105.57 Sints of 1 Mar 0.56 0.79 1.08	182153 790 600% Purs Apr 1.07 1.36 1.69	263223 3886 Jun 1.41 1.68 1.99
Jun Strike Price 10600 10650 10700 Est. vol. is NOTIC	105.11 105.57 FUTURES Feb 0.47 0.19 0.06 Hal, Cale 57 DNAL GER DM250,000	108.30 105.73 CPTION: CA Mar 0.86 0.59 0.36 570 Puts 20 MAN BUN 100ths of	-0.01 S (LIFFE) ALLS 0.80 0.58 0.42 0.42 100%	105.1 DM250, Jun 1.14 0.91 0.72 ious day L) FUTU	73 1 000 px 017 0.39 0.76 0.76	106.04 105.57 Dints of 1 Mar 0.56 0.79 1.08 Inc., Calls	182153 790 100% Purs	263223 3886 Jun 1.41 1.68 1.99 uts 262963
Jun Strike Price 19800 10650 10700 Est. vol. is NOTIK	106.11 105.57 FUTURES Feb 0.47 0.19 0.06 stal, Calls 57 DNAL GER 2M250,000	108.30 105.73 6 OPTIONS Mar 0.86 0.59 0.38 570 Puls 20 MAN BUN 100ths of Sett price	-0.01 S (LIFFE) Apr 0.20 0.59 0.42 9768 Prev 100% e Change	105. 105. DM250, Jun 1.14 0.91 0.72 ious day't L) FUTU	73 1 73 1 000 px Feb 0.17 0.39 0.76 s open	05.04 605.57 Sints of 1 Mar 0.56 0.79 1.08 Int., Culls	182153 790 100% PUTS	263223 3886 Jun 1.41 1.68 1.99 uts 262963
Jun Strike Price 10800 10850 10700 Est. vol. in (DTB)	105.11 105.57 FUTURES 0.47 0.19 0.06 stal, Cale 57 DNAL GER DM250,000 Open 105.00	108.30 105.73 CPTION: CA Mar 0.88 0.59 0.38 8570 Puts 25 MAN BUIL 100ths of Sett price 105.20	-0.01 S (LIFFE) Apr 0.80 0.59 0.42 100% 100%	105. 105. DM250, Jun 1.14 0.91 0.72 ious day's L) FUTU e Hig 105.	73 1 73 1 000 px Feb 0.17 0.39 0.76 3 open RES	05.04 (05.57 okrits of 1 Maar 0.56 0.79 1.08 lnt, Culls	182153 790 600% PUTS	3886 3886 34m 1.41 1.68 1.99 uts 262993 Open int 219,415
Strike Price 10600 10650 10700 Est vol. It. INCITE (DTE) I	105.11 105.57 PUTURES Feb 0.47 0.19 0.06 stal Cale 57 NAMAL GER 0M250,000 Open 105.00 104.62	108.30 105.73 COPTIONS Mar 0.86 0.59 0.38 670 Puts 20 MAN BUI 100ths of 105.27 105.27 104.77	-0.01 S (LIFFE) MLLS Apr 0.30 0.59 0.42 S788. Prev ND (BOSS 100%	106: 105: DM250, DM250, 1.14 0.91 0.92 0.72 ous day' L) FUTU e Hig 105: 104.	73 1 73 1 000 px Feb 0.17 0.39 0.76 3 open PRES	105.04 105.57 Sints of 1 Marrier 0.56 0.79 1.08 Int., Cults Low 104.92 104.62	182153 790 100% PUTS	Jun 1.41 1.66 1.99
Jun BUNG Serke Price 10600 10650 10700 Est wolk Mar Jul Htaly NOTK	105.57 FUTURES 0.47 0.19 0.06 istal, Calls 57 NNAL GIER 0M250.000 Open 105.00 104.62	108.30 105.73 COPTIONS Mar 0.86 0.59 0.38 670 Puts 20 MAN BUI 100ths of 105.27 105.27 104.77	-0.01 S (LIFFE) MLLS Apr 0.80 0.58 0.42 10004 10008	106:: 105:: DM250, DM250, DM250, 11.14 0.91 0.72 ous day't 1.1 FUTU e Hig 105:: 104.	Feb 0.17 0.39 0.76 s open PRES	105.04 105.57 Sints of 1 Marrier 0.56 0.79 1.08 Int., Cults Low 104.92 104.62	182153 790 (00% Pun's	3886 3886 34m 1.41 1.68 1.99 uts 262993 Open int 219,415
Jun BUNG Strike Price 10600 10650 10700 Est wol. It NOTIC (DTE) I Mar	105.11 105.57 PUTURES Feb 0.47 0.19 0.06 stal Cale (SR) MAL GER 0M250,000 Open 105.00 104.62	108.30 105.73 6 OPTIONS CA Mar 0.86 0.38 670 Puts 20 MAN BUIL 100ths of Sett prior 105.20 104.77	-0.01 S (LIFFE) MLLS Apr 0.80 0.58 0.42 10004 10008 +0.08 +0.08	106:: 105:: DM250, DM250, DM250, 11.14 0.91 0.72 ous day't 1.1 FUTU e Hig 105:: 104.	Feb 0.17 1000 px 10.17 1	05.04 (05.57 pints of 1 Mar 0.56 0.79 1.08 int, Culls Low 104.92 104.62	182153 790 (00% Pun's	263223 3886 Jun 1.41 1.68 1.98 1.92983 Open int 219,415 770

1.33 1.07

Precious Metals continued GRAINS AND OIL SEEDS ■ WHEAT LIFFE (100 tornes; 2 per torne) ■ GOLD COMEX (100 Tray oz.; \$/tray oz.) 77.65 -0.45 77.80 77.83 79.15 -0.53 79.80 79.15 +47 295.6 286.5 35.086 81,584 +4.7 298.0 288.0 8,089 29,383 +4.7 298.0 291.0 1,815 12,583 -0.50 83.50 -0.50 83.50 -0.25 -47 298 5 293 5 PLATINUM NYMEX (50 Troy oz.; \$/troy oz.)

PALLADRUM NYMEX (100 Troy oz.; S/troy oz.) 240.00 -9.00 240.00 240.00 910 3.465
 575.8
 -2.5
 580.0
 580.0
 400
 488

 578.8
 -1.5
 -2.0
 -1.2
 1
 2

 578.3
 -1.5
 589.0
 575.5
 14,772
 57.58

 578.3
 -2.0
 589.0
 577.0
 229
 8,451

 578.3
 -4.0
 588.0
 577.5
 219
 7,712

 577.5
 -3.9
 1,527
 3,098
 Jan Mar **ENERGY**

COMMODITIES AND AGRICULTURE

E CRUDE Oil NYMEX (1,000 barrels, \$/berrel) 16.71 16.49 44,891 105.7k 16.90 16.72 12,296 43,136 17.15 16.95 4,336 28,552 +0.08 +0.08 17.33 17.15 5.671 40.224 15.31 12,621 96.059 15.49 2,682 25,648 15.74 +0.15 15.80 15.68 1,073 15,646 2,975 20,025 990 12,802

74,688 19,986 E COPPER, grade A (\$ per tonne 1739.5-40.5 1714-15 1687.5-8.5 1708.5-09.5 46.50 +0.27 46.75 46.10 12,344 51,214 47.00 +0.31 47.10 46.55 8,718 38,180 47.25 +0.26 47.30 46.90 2,021 18,202 47.55 +0.28 47.60 47.20 1,423 10,785 47.95 +0.38 48.00 47.70 1,596 15,525 48.45 +0.33 48.50 48.25 1,791 9,553 LME AM Official 2/\$ rate: 1.8305 LME Closing \$/\$ rate: 1.6375

Sport 1,6335 3 miles 1 6353 6 miles 1,6166 9 miles 1,6106 140.50 -0.25 141.50 140.25 6.437 28.373 142.00 -0.25 143.00 142.00 2.253 14.220 143.50 -0.25 144.50 143.50 988 10.274 -0.90 78.20 78.30 -0.75 78.50 78.70 -0.75 79.30 77.20 5 2,745 71 33,132 145.25 -0.25 146.00 145.50 1,249 - 148.00 147.25 1,013 -0.80 79.90 77.80 -0.70 79.90 78.10 -0.75 79.40 78.60 14,230 +0.800 PRECIOUS METALS TE LONDON BULLION MARKET

432.68

584.10

583.35 577.30

2170 +0.076 2180 2100 27.624 37.894 2.145 +0.060 2.155 2.087 8.694 27.880 2.145 +0.051 2.150 2.100 3.018 13.747 2.150 +0.045 2.155 2.120 1,174 11.096 2.160 +0.038 2.175 2.140 2.180 +0.037 2.180 2.155 W UNLEADED GASOLINE

NYMEX (42,000 US gats.; c/US galls.) 50.35 -0.04 50.65 50.00 13,528 31,167 50.85 -0.01 51.25 50.50 8,083 23,951 53.50 -0.06 53.05 53.27 0,862 11,578 54.05 +0.19 54.15 53.90 1,083 8,798 53.90 +0.39 53.90 53.75 122 7,256

formed, following reported

334.25 +0.50 337.50 332.00 14.167 52.672 343.00 +1.25 345.50 340.50 3.190 15.417 351.50 +0.50 354.50 347.25 20.26 21.808 356.50 +0.50 350.00 355.00 46 1,708 368.50 +0.25 371.00 367.00 595 3.548 1587 1618 1648 1680 277.00 -0.25 279.50 276.25 50,481 153.845 283.75 — 286.50 283.25 15,500 58,722 289.00 +0.25 291,00 288.00 12,223 65,342 282.75 —0.50 285.25 282.50 624 8,959 282.75 —0.75 284.25 282.90 5,495 37,313 1725 1702 1682 1672 Many Jail Sep Dec Litar Total W SOYABEANS OF 5,000bs min costs/60b testel) 684.00 -3.00 673.50 561.50 29.226 53.318 688.00 -2.25 677.00 665.50 3.555 28.931 675.01 -3.00 680.00 680.00 4.779 28.27 680.00 -3.50 679.00 689.00 222 4.880 658.00 -3.00 683.50 689.00 195 484 IN SOYABEAN OIL CET (S0.000lbs: pents/lb) 25.8 - 25.8 2.06 1.75 19.925 25.40 +465 25.47 25.25 36 4.343 25.37 +607 25.20 25.15 112 1.693 25.37 +607 25.20 25.15 112 1.693 E SOYABEAN MEAL CBT (100 tons: S'ton) -1.2 200.7 196.7 5,018 4,997 -12 1978 1935 13,443 46,743 -14 1961 1923 3,740 27,072 -1,7 1976 194,0 3,559 18,667 -1,6 198,0 195,5 273 7,045 192.3 3,740 27.078 194.0 3,559 18,667 195.5 273 7,045 196.0 462 4,587 -20 199,5 196,0 116.0 126.0 -4 1135 1130 +5 1125 1120 -10 1170 1160 1185 -10 1195 -10 -1185

Clase Prev 1175 1191 PULP AND PAPER E PULPEX OMLX (USS; 24 air dry tons) 477.00 -3.00 488.90 476.00 FUTURES DATA All futures data supplied by CMS. Spices from Man Producten
The black pepper market was extremel
depressed this week. Prices continued to

decline, mainly in India and Visitarin. The approaching new crops in these countries put prices under pressure while the cross in the cross that the cross t about \$4,200 a torune, with later delivery positions some 10 per cent to 15 per cent lower. White pepper prices remained relatively steady at about \$7,750 a torune, spot Rotterdam, with very little or no buying. The spread between whate and black is exceptionally wide, reflecting the very difficult supply position of white.

* NOTIONAL SPANISH BOND FUTURES (MEFF) Open Sett price Change

M NOTIONAL UK GILT FUTURES (LIFFE)* \$50,000 32nds of 100%

■ LONG GILT FUTURES OPTIONS (LIFFE) 250,000 64ths of 100%

123-10 -0-04

E COFFEE 'C' CSCE (37.500bs; cents/bs) 149.50 -0.75 151.00 148.00 202 143.45 -1.30 145.25 142.50 124 140.10 -0.15 140.50 140.50 30 E COFFEE (ICO) (US cents/pour WHITE SUGAR LIFFE (50 tonnes; S/tonne) 298.0 +1.7 298.0 296.1 2,070 21,469 302.0 +1.0 302.0 299.9 831 10,570 304.5 +0.6 304.5 302.5 169 5,108 299.5 +0.6 299.5 297.5 64 5,432 301.5 -1.0 302.0 301.5 18 247 SUGAR '11' CSCE (112,000fbs; cents/fbs) 11.20 +0.03 11.30 11.1239,973 88,013 11.08 +0.01 11.16 11.0212.404 42.933 11.08 +0.01 11.16 11.0212,404 42,933 10.97 +0.03 11.02 10.90 4.096 28,437 10.96 +0.02 11.02 10.91 2.683 33,788 10.98 +0.06 11.00 10.91 1.047 7.720 10.97 +0.06 10.94 10.92 52 1.671 66.18 +0.21 66.20 65.85 3.491 37,626 67.59 +0.22 67.50 67.32 1,256 15,476 68.88 +0.17 68.95 68.70 1,055 15,576 70.70 +0.95 70.70 70.70 87 1,673 S ORANGE JUICE NYCE (15,000lbs; cents/lbs) 94.35 -2.75 96.50 93.50 8.069 20,968 96.95 -0.15 98.70 96.35 1.563 6.676 99.75 -0.40 101.25 99.00 723 4.505 102.50 -0.66 104.25 108.00 25 2.073 VOLUME DATA Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CST, NYCE, CME, CSCE and IPE Crude Oil are one day in arrears. Volume & Open Interest totals are for all traded months. INDICES **E** Reuters (Base: 18/9/31 = 100) Jan 15 month ago year ago 1729,5 1760.3 E CRB Futures (Sase: 1967 = 100) Jan 15 Jan 14 month ago year ago 228.52 226.91 - -SGSC1 Spot (Base: 1970 = 100)

+14 1557 1534 4,236 32,988 +13 1593 1573 1,315 24,431 +13 1622 1614 172 6,093 +13 1650 1635 978 5,631 +13 1661 1675 76 8,684 1573 1,315 24,431 1614 172 6,083 1635 978 5,631 1675 76 8,684 928 5,631 76 9,684 85 9,355 47,000 +0.259 48,150 48,350 1,488 4,923 48,650 +0.250 47,860 46,160 594 1,768 47,125 -0.375 48,400 46,800 160 +1,588 48,600 +0.250 48,650 47,750 128 775 1825 1800 501 2,625 1754 1722 2,288 25,456 LONDON TRADED OPTIONS (Grade A) LME LONDON SPOT MARKETS ■ CRUDE Off FOS (per barrel) \$13.31-3.35x -0.15 \$14.81-4.87. \$15.37-5.40 M OIL PRODUCTS NWE ground delivery CF floring \$70-72 -0.5 -0.5 \$148-147 M NATURAL GAS (Pe 14.25-14.35 +0:10 on (0171) 359 8792 # OTHER Gold (per troy oz) Silver (per troy oz) Platinum (per troy oz.) +1.0 Lead (US prod.) Tin (Kuela Lumpur) Tin (New York) 88.26p 82.76p 63.36p \$271,40 Barley (Eng.: feed) Maize (US No3 Yellow) 47.00p +0.75 +6.00 Rubber (KLRSS No1) 300.50m Coconut Oil (Phill)§ -5.0

ENGRAGE CROSS: WATER

MOON HONEY PLATES

1. Finance 18 人工工

MEAT AND LIVESTOCK

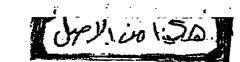
LIVE CATTLE CME (40,000lbs; cents

TE ECU BOND FUTURES (MATIF) ECU100,000 107.21 -0.21 107.40 107.13 88.819 97,306 102.04 -0.28 102.16 101.92 ■ US TREASURY BOND FUTURES (CBT) \$100,000 32nds of 100% 123-01 122-10 -0-23 122-16 122-00 -0-22 122-06 121-21 -0-22 Open Sett price Change High Low Est. voi Open int. 122-08 315,970 689,265 121-31 544 49,435 121-21 8 8,641 123-18 123-06 63361 188637 W NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100% Open Close Change Low 129.85 129.B5 129.61 129.08 2236 297

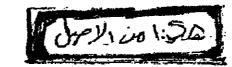
0-57 1-27 2-08 FTSE Actuaries Govt. Securities **UK Indices** xd adj ytd 0.01 -0.06 -0.21 -0.24 -0.07 7.19 7.48 1/4 7.69 8.19 30/4 7.75 8.26 30/4 7.79 8.30 30/4 2.97 3.23 3.72 5/8 2.99 3.59 3.72 19/8 2.20 2.17 2.59 3.07 5/8 2.14 13/1 2.78 2.77 3.40 3.50 19/6 2.74 15/12 2.94 13/2 2.95 5/1 uge gross redemption yields are shown above. Coupon Bands: Low: 0%-7½%: Medium: 8%-10½%; High: 11% and over. † Flat values: UK Gits Indices 31/12/75 = 100.00 and index-Linked 30/4/82 = 100.00. * 1987/98 highs and lows. Jan 16 Jan 15. Jan 14 Jan 13 Jan 12 Yrago Hight Low Govt. Secs. (UR) 103.28 103.21 103.83 103.82 95.23 103.92 93.31 Fixed interest 136.51 136.49 138.69 138.69 138.83 139.27 117.06 139.27 115.82 © FTSE international Ltd 1999. All rights reserved. for 1997/98. Government Securities high since complication. 127.40 (09/07/98), low 40.18 (03/07/79). Basis 100: Government Securities 15/10/26 and Pared Interest 1928. SE artifly indicate relaxed 1974. C FTSE International Ltd 1998. All rights reserved. * for 1997/98. Government Securities high si compilation: 139.27 (12/01/98). low 50.53 (03/01/79). Basis 100: Government Securities 15/10/26 a

--- PUTS

UK GILTS PRICES Trees 100c 2003.
7 Trees 100c 2004.
7 Trees 100c 2005.
7 Trees 100c 2007.
7 Trees 100c 20 7.07 116 - 100m 7.25 100 7.15 1052 7.10 1033 7.01 102 - 1004 7.03 1057 6.77 983 6.77 983 6.78 1057 105% 103% 102% 100% 105% 104% 9812 10512 8.70 1034 8.72 1044 6.78 1145 1025 6.60 1035 - 1005 8.66 1085 8.65 1085 6.55 1095 6.55 1095 6.50 1015 6.50 1015 6.50 1025 6.50 1025 6.50 1025 8.23 8.62 13.39 13.69 7.72 8.16 8.74 8.90 6.88 11.47 8.85 6.84 6.14 118]8 6.06 1205]] 6.19 130,3 6.16 158]3 6.04 124]3 6.75 6.62 6.73 7.57 6.43 | Note | 6.39 6.12 4.78 6.58 6.16 - 62% - 57% - 734 - 452 - 408 - 398 64点 77些 46点 41点 40点



1.53 1.77 2.06



CURRENCIES AND MONEY

Sterling gains

MARKETS REPORT By Richard Adems

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Sterling finished the week recent years, on indications on the international currency markets nestling just below DM3, as traders stimulus measures. revised their views on UK interest rates.

The pound strengthened almost a pfennig against the D-Mark to DM2.9911 by the end of trading hours in London, and continued rising to DM2.9950 in later trading.

The rise came after weak German retail sales figures. Klaus-Dieter Kuehbacher, a Bundesbank council member, said there was no need for an interest rate rise in Germany, but that a cut was not impossible. Market sentiment expects further UK rate rises next month, after recent strong employment and wages data.

The Japanese ven continued its good performance, yesterday gaining another

POUND SPOT-FORWARD AGAINST THE POUND

close at Y128.98 in Europe. The currency was helped by a 6 per cent rise in the Nikkei, one of its biggest in Japan's government is considering further economic

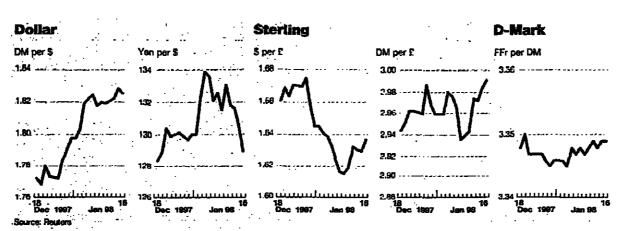
. The D-Mark's weakness meant the yen advanced to Y70.6, from Y71.26.

The Bank of Portugal cut its repurchase rate by 20 basis points to 5.1 per cent and lowered its drain rate to 4.8 per cent from 4.9 per

- Prev ctoso ---1 6305 1 6280 . <u>1 alest</u> ... 1 6375 1.5350 1.6300 1 6230

cent. The cut was expected, and the escudo remained at Es102.2 to the D-Mark.

■ Mr Kuehbacher was sceptical of the lira's chances of joining monetary union in "There are good reasons for



viewing Italy somewhat more critically, it has a very

"The [Italian] budget can only be managed so well because there are comfort- of the D-Mark. able long-term interest rates. must stay that way," he added. The lira fell against the D-Mark, down L2.6 to L984.9. The Italian bond market bore the brunt of the negative reaction.

no economic need for higher

data argue against it." Ana- Rate Mechanism level. lysts said that his comment that a rate cut was "not impossible" sparked selling

Italy is stable now, but it The Irish pound spiked up to DM2.55 after Mr Kuehbacher suggested the cur-European monetary union.

be delivered in Frankfurt, Mr Kuehbacher also said Mr Kuehbacher said the

He attributed the strength

of the punt to Ireland's buoyant economic growth and attractiveness as an investclose connection to sterling. The punt fell back to

DM2.526 in later trading. finance ministers is expected revaluation, analysts said.

Union currency to seriously Finance Ministry approved market.

interest rates, the economic deviate from its Exchange the removal of the cash holdings limit on authorised dealers, the Reserve Bank announced yesterday. The foreign currency hold-

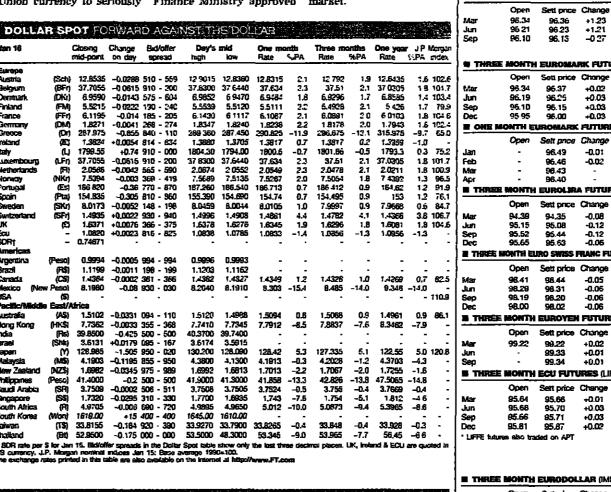
ings limit was abolished. ment option, as well as its subject only to certain restrictions regarding the purpose and placement of some funds, the bank said. rency might be revalued for Monday's meeting of EU Analysts welcomed the government's removal of cash In the text of a speech to not to discuss a possible limits on dealers, seeing it as a step that would assist the Reserve Bank in its withthe first wave. He said: that, in Germany, "there is punt was the only European The South African drawal from the forward

MONEY RATES 6.00 4 60 4.50 7.00 2.75 32 31 32 62 32 3.30 3.30 6.75 6.23 3.30 1.00 5.00 S LIBOR FT London interbenk Fixing US Dollar CDs 5<u>:</u>: 5.37 5% 5.39 5% 5.41 ECU Linked Ds SDR Linked Ds estic Money Rates, USS CDs, EQU & SDR Linked Dep **EURO CURRENCY INTEREST RATES** Balgian Franc Danish Krone German Mark Dutch Gulder French Franc Portuguese Esc Spanish Peseta Sterton Sponsin Peseta Sterling Swiss Franc Canadan Dollar US Dollar Italian Lira Japanese Yen Asian Sang

E THREE MONTH PEROR FUTURES (MATIFIPARS Interbank offered rate

High 96.36 96.24 96.13

Est. vol Open int. 9,631 77,323 6,737 45,511 6,051 31,372



EMS EUROPEAN CURRENCY UNIT RATES

0.782502 -0.009136

+2.02 -0.00098

+0.00212

+0.00517 +0.0048 +0.0008 +0.00063

Change %+/- from % spread

-2.03 2.08 2.20 2.28

2.51 2.57 2.67 2.68 2.67 2.70

0.49 0.41

0.18 0.13 0.03 0.02 0.02 0.00

1.51 2.06 2.64

Rate

1946.05 5.98281 167.555

7.52979 6,62438 13,9099 2,22785 1,97718

NON ERM MEMBERS
Greece 295.269 311.598 -0.22 5.53 -2.68
UK 0.793103 0.882091 -0.001536 -16.52 23.02

E PHILADELPHIA SE E/S OPTIONS 531,250 (cents per pound)

Ecu central rates set by the European Commission. Cumercies are in descending relative strength Percentage changes are for Ecu: a positive change denotes a vest cummon. Divergence notes, the rates between two spreads: the percentage difference between the actual market and Ecu central sites for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rite. 1795SS: Sterling suspended from ETMA Adjustment calculated by the Français Times.

2.34 0.05 1.89 0.58 1.46 1.48

1906.48 5.85424 163.826

197.398 7.34555 6.45863 13.5485 2.16979 1.92573

0.50 0.03

Jan 16		Closing	Change	8.d/offer	Day's		One m		Three m		One year		
		mid-point	on day	8Dt630	high	low	Rate	ς.PA_	Rate	%РА	Rate	SEPA	rices.
Europe		-											
Austria	(Sch	12.8535	-0.0288	510 - 559	12 9015	12.8360	12.8315	2.1	12 792	1,9	12.6435	1.5	102.6
Belgum	(BFr	37.7055	-0 0615	910 - 200	37,8300	37 6440	37.634	2.3	37.51	2.1	37 0205	19	101.7
Denmark	ЮK	6.9590	-0.0143	575 - 604	6.9852	6 9470	6.9484	1.8	6.9296	1.7	6.8585	1,4	103.4
Finland	FM	5.5215	-0 0222	130 - 240	5,5539	5,5120	5.5111	2.2	5.492B	21	5 426	1.7	79.9
France	(FFr	6.1195	-0.014	185 - 205	6.1430	6 1117	6.1087	2.1	6.0891	20	6 0103	1.8	1C4 6
Germany	(DM	1.8271	-0.0041	268 - 274	1.8347	1.8240	1.8238	22	1.8178	2.0	1.7943	1.5	102.4
Greece	(Or	287.975	-0.855	840 - 110	289 360	287.450	290.825	-11.9	296,675	-12.1	315.975	-9.7	65 D
ireland	Œ	1.3824	+0.0054	814 - 634	1.3880	1.3705	1.3817	0.7	1.3877	G.2	1.3359	-1.0	-
Itely	(L			910 - 000	1804.30	1794.00	7800.6	-D.7	1801.66	-0.5	1793.5	0.3	75.2
Luxembourg	η.Fr	37.7055	-0.0515	910 - 200	37 8300	37.6440	37.634	2.3	37.51	2.1	37.0305		101.7
Netherlands	P		-0.0042	565 • 590	2.0674	2 0552	2.0549	23	2.0478	2.1	2.0211	1.6	100.9
Norway	(NKr			369 - 419	7.5689	7,5135	7.5267	2.0	7.5054	1.8	7 4392	1.3	96.5
Portugal	(Es			770 - 870	187.260	186.540	186.713	0.7	186 412	0.9	164,62	1.2	91.9
Spain	(Pta;	154.835	-0.305	810 - 960	155.390	154.690	154.74	0.7	151,495	0.9	153	1.2	76.1
Sweden	(SKr		-0.0052	148 - 198	8.0459	B.0014	8.0105	1.0	7.9997	0.9	7.9668	0.6	84.7
Switzerland	(SFr	1.4935	+0,0022	930 - 940	1.4996	1.4908	1.4861	4.4	1.4782	4.1	1.4366	3.6	106.7
UK	Œ	1.6371	+0.0076	366 - 375	1.6378	1.6275	1.6345	1.9	1.6296	1.8	1.6081	1.8	104.6
Ecu	-	1.0820	+0.0023	816 - 825	1.0838	1.0785	1.0833	-1.4	1.0856	-1.3	1.0956	-1.3	-
SORT	-	0.74671		-	-		-		-	-		-	-
Americas.													
Argentina	(Peso)	0.9994	-0.0005	994 - 994	0.9996	0.9993	-	-	-	-	-	-	-
Brazil	(FI\$)			198 - 199	1.1203	1.1162	-	-			-	-	-
Canada	(CS)			361 - 3 6 6	1.4362	1.4827	1.4349	1.2	1,4326	1.0	1.4269	0.7	62.5
	v Peso)		-0.08	930 - 030	8.2040	8.1910	8.303	-15.4	8.485	-14.0	9.345	-14.0	-
USA	(5)		-	•	-	-	-	-		-	-	-	110.9
Pacific/Middle													
Austrafia	(AS)			094 - 110	1.5120	1.4998	1.5094	0.6	1,5068	0.9	1.4961	0.9	86.1
Hong Kong	(HK\$			355 - 368	7.7410	7.7345	7.7912	-85	7.8837	-7.6	8.3462	-7.9	-
india	(Rs)			500 - 500	40.3700	39.7400	-	-		-	-	-	-
Israel	(Sht)			ú95 - 167	3.6174	3.5915		_ •		٠.			
Japan	M			950 - 020	130,200	128,090	128.42	5.3	127.335	5.1	122,55		120.8
Malaysia	(MS)			855 - 950	4.3800	4,1300	4.1913	-0.3	4.2028	-1.2	4.3703	-4.3	-
New Zealand	(NZS)			975 - 989	1.6992	1.6813	1.7013	-22	1.7067	-2.0	1,7255	-1.6	-
Philippines	(Peso)			500 - 500	41,9000	41.3000	41.858	-13.3	42.826	-13.8	47.5065	-14.8	-
Saudi Arabia	(SRI)			506 - 511	3.7508	3.7505	3.7524	-0.5	3.755	-0.4	3.7669	-0.4	-
Singapore	(55)			310 - 330	1.7700	1.6935	1,743	-7.5	1.754	-5.1	1.812	-46	-
South Africa	(F)			690 - 720	4.9895	4.9650	5.012	-10.0	5.0873	-9.4	5.3965	-8.6	-
South Konea	(Won)			400 - 400	1645.00	1610.00	-						-
Taiwan	(1\$)			920 - 390	33.9270	33.7900	33.8265	-0.4	33,648	-0.4	33.928	-0.3	-
Thalland	(Bt)	52.9500	-0.175	000 - 000	53.5000	48.3000	53.345	-9.0	53,965	-7.7	56,45	-66	•
† SDR rate per US currency, J.	P. Mor	pari neminal	mdices Ja	n 15: Base a	verage 199	C=100.			nai piaces.	UK, Ireb	and & ECU	Sate div	nl betc
The exchange n	sess prir	च्छ्यं हा प्रस्ति (and But 192	eo angladie C	n the Insent	er all receptor	rayarw.a-T.C	13 1 1					

			• •			-,	0.,0
THRE	E MONT	I EUROMA	RK FUTU	RES (LIF	FE)" DM1n	n pomis o	100%
	Open	Sett price	Change	High	Low	Est. vol	Open #
Mar	96.34	96.37	+0.02	96.39	96.33	39538	36259
Jun	96.19	96.25	+0.03	95.27	96,19	58407	34636
Sep	95.10	95.15	+0.03	95.17	96.09	52662	24244
Dec	95 95	96.00	+0.03	96.01	95.93	50216	22410
E ONE	RONIH E	UROMARI	FUTURE	S (LIFFE)	"DM3m p	oints of 10	20%
	Open	Selt pnce	Change	High	LOW	Est. vol	Open k
Jan	-	96.49	-0.01	•	•	0	966
Feb	-	96.46	-0.02	-	•	0	133
Mer	-	96.43	-	-	•	Ð	150
Apr	-	96.40	-	-	-	0	50
THRE	E MONT	i Eurolia	A FUTUR	ES (LIFFI	E)" L1 000 m	points of	100%
	Open	Sett price	Change	High	Ltow	Est. voi	Open in
Mar	94.39	94.35	-0.08	94.42	94,34	42951	135413
Jun	95.15	95.08	-0.12	95.16	95.08	47516	13392
Sep	95.52	95.44	-0.12	35.53	95.44	21318	92373
Dec	95.65	95.63	-0.05	95.67	95.61	21711	11310
	HONTH E	URO SWASS	FRANC FU	TURES (L	FFE) SFr1m	points of 10	10%
	Open	Sett price	Change	High	Low	Est. voi	Open in
Mar	98.41	98.44	-0.05	98.45	95.39	9385	72748
Jun	98.29	98.31	-0.06	96.32	98.28	6304	36309
Sep	9B.19	98.20	-0.06	98.22	96.18	1776	20612
Dec	98.00	98.02	-0.06	98.04	98,00	1020	10788
B THRE	E MONTH	EUROYE	FUTUR	ES (LIFFE	} Y100m p	etnts of 10	20%
	Open	Sett price	Change	High	Low	Est. vol	Open in
Mar	99.22	99.22	+0.02	99.22	99,22	200	n/a
Jun	-	99.33	+0.01	-	•	0	n/a
Sep	-	99.34	+0.01	-	•	0	n/a
S THRE	E MONTH	ECU FUT	URES (LIF	FE) Ecu1	m points o	f 100%	
	Open	Sett price	Change	High	Low	Est. vol	Open in
Mar	95.64	95.66	+0.01	95.68	95,64	843	8484
Jun	95.68	95.70	+0.03	95.70	95,66	653	6862
Sep	95.66	85.71	+0.03	95.72	85.64	1749	8782
Deç	95.81	95.87	+0.02	95.87	95,81	310	4170
· LIFFE tut	mes elso tra	aded on APT					
■ THRE	E MONTH	EURODO		4) \$1 <u>m</u> po	oints of 10		
	Open	Sett price	-	High	Low		Open in
Mar	94,44	94.42	-0.02	94.45	94.41	88,425	482,250

Jun	94.54	94.4			4.55	94.47	78,298	400,022
Sep	94.55	94.4	9 -0	.06 9	4.57	94.47	84,733	284,500
■ UST	REASURY	BRLL F	UTURES	(IMM) \$	1m per 1	100%		
Mar	95.22	95.2	7 -0.	.04 9	5.22	95.19	349	7,786
Jun	95.26	95.2	3 -0.	.07 9	5.27	95 <i>.2</i> 3	12	1,981
Sep	-	95.2	7 -0.	.06	-	95.27	10	39
All Open I	nterest figs.	are torp	nevious da	y				
·								
	MARK O	DTIONS	a ices t	Wilm o	ninte of 1	One.		
			<u> </u>) (a) (i) (i) (i)	W 112 () 1			
Strike			CALLS -				PUTS	
Price	Jan	Feb	Mar	Jun	Jan	Feb	Mar	Jun
9625	0.13	0.14	0.15	0.13	0.01	0.02	0.03	0.13
9650	0	0.02	0.03	0.04	0.13	0.15	0.16	0.29
9675	0	0.01	0.01	0.01	0.38	0.39	0.39	0.51
	_					7 7 7		

Strike			CALLS -			P	UTS	
Price	Jan	Feb	Mar	Jun	Jan	Feb	Mar	Jun
9625	0.13	0.14	0.15	0.13	0.01	0.02	0.03	0.13
9650	0	0.02	0.03	0.04	0.13	0.15	0.16	0.29
9675	0	0.01	0.01	0.01	0.38	0.39	0.39	0.51
9700	0	0	0	0	0.63	0.63	0.63	0.75
		FRANC	OPTIONS		's open in. SFr 1m po	nts of	100%	3 340061
Strike Price	h	Mar	CALLS -	Sep	Mar	_	UTS Jun	Sep
9850	0.	.08	0.11	0.12	0.14	0	.30	0.42
875	D.	03	0.05	0.07	0.34	0	.49	0.62
F-44 &	otal Calle (Dista O	Promotes de	w's onen	int., Calls 8	SA Dies 1	35.05	

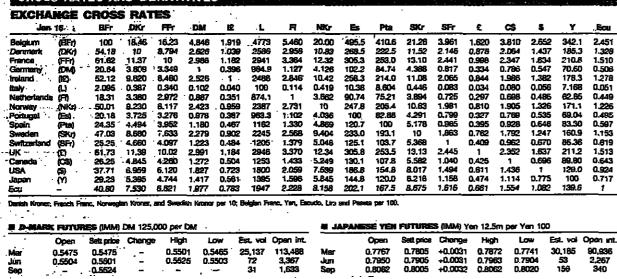
9875	0.03	0.05	0.07	0.34	0.49
Est. vol. tot	el, Celts (; Puts	O Previous o	tay's open in	L, Calls 850	Puts 2595
1					
E EUROL	JRA OPTION	S (LIFFE) L	1000m por	ts of 100%	
Strike		- CALLS			PUTS
Price	Mar	Jun	Sep	Mar	Jun
9425	0.23	0.88	1.25	0.13	0.05
9450	D.13	0.66	1.02	0.26	0.08

Tre tay			· · · · · · · ·	9425 9450 9475 _ Est vol. lota	0.23 0.13 0.04 a, Caso 11941 P	0.88 0.66 0.46 Ner 2394. Pi	1,25 1,02 0,80 evicus day's	0.13 0.26 0.44 open mt., Ca	0.05 0.08 0.13 Ma 166766 P	0.06 0.08 0.11 uts 73850
	ВА	SE LENDING RAT	TES	ļ	DELPHIA SE I		OPTIONS	DM62,500		
	%			Strike		· CALLS ·			PUTS -	
1 44 0 0	-	Exeter Trust Limited 8.25	Singer & Friedlander 7.25) Price	Jan	Feb	Mar	Jan	Feb	Mar
Adam & Company	7.25		•	0.540	0.53	0.94	1.24	-	0.31	0.54
Allied Irish Bank (GE)	7.25	Financial & Gen Bank 8.00	Smith & Williamson 725	0.545	0.11	0.64	0.95	0.05	0.50	0.73
CHerry Ansbacher	7.25	Selection of the sel	Sun Banking Corp Ltd 7.25	0.650		0.41	0.70	0.42	0.77	0.99
Banco Babao Vizcaya Bank of Cyprus Bank of Instand	7.25 7.25 7.25	PGumness Mahon 7.25 Habib Bank AG Zurich 7.25 PHambros Bank 7.25	7.25 Umted Bank of Kuwait, 7.25 Umty Trust Bank Pic 7.25	Previous day	's vol., Calls n/a	Puts n/a . Pr				

Jan 16		ξ			S	
Czech R	p 57.9864	-	58,0756	35.4310		3
Hungary	338,874		339.743	207 060	-	2
	4912.50	-	490E.80	3000.00		3
Kunnat	0.5008	-	0.5016	0 3060		0
Poland	5.7936		5.8049	3.5400	-	3
Russla	9.8338		9,8709	6.0278	_	6
ILA.E.				3,6728		

FT GUIDE to WORLD CURRENCIES The FT Guide to World Currencies table can be found on the Markets page in Monday's edition.

Jan 18		Closing	Charge	Bid offer	Dav's	Mid	One i	month	Three	menths	One y	маяг	Bonk of
		mid-point	on day	spread	tegh	10W	Rote	%PA	Rate	%PA	Rate		ng, Index
Еигоре .													
Austria	(Sch)	21.0417		319 - 515	21.0581	20.9378	20.9238	3.5	20.795	3.7	20,2772	34	102.3
Belgium	(EF1)			851 - 665	61.7710	61,4350	61.3292	4.1	60.9362	3.9	59 3773	3.5	101.6
Denmark ·	(OKr)	11.3922	+0.0295		11.4015	11.3366	11.3277	3.7	11,2627	3.5	11.0035	3.2	104.1
Finland	(FM)			324 - 456	9.0520		9.0018	42	8.3453	3.9	8,7193	3.5	80.5
France	(FFr)	10,0179		135 - 223	10.0286		9.9612		9.8993		9.645		105.0
Germany	(DM)	2,9911	+0.0073		2.9946		2.9739		2.9552		2.8792		102.7
Greece .	(Dr)	471 430	+0.796		471 914				483.282		508.633		65.2
ireland	{IE)	1.1842	+0.0009		1.1890	1,1744	1.1821		1.1785	1.6	1.1521	2.5	93.5
lisiy	(L)	2945.95		441 - 750	2948.24				2920.76	1,4	2866.74	2.2	75.3
Luxembourg	(LFr)	61.7258	+0.1863		61.7B10		61.3282		50.9382	3.9	59.3773	3.5	101.6
Netherlands	(FI)	3,3703	+0.0088		3.3731	3.3542	3.3498		3.3263	4.0	3.2424		101.0
Norway	(NK)	12.3474	+0.0524		12,3502				12.1767	3.7	11.9105	3.1	97.0
Portugal	(Es)	305.834		668 - 000	306.004		304.352		305 925	2.7	296.143	2.9	91.3
Spain	(Pta)	253.473		3E2 · 583	253,590	252,280			251.056	2.7	245,366	2.9	76.4
Sweden	SKr	13.1247		170 - 324	13,1327	13.0590	13.041		12.9829	2.7	12.76		84.7
Switzerland . Lik	(SFr)	2,4449	+0.015	434 - 464	2,4467	2.4327	2,4171	5.3	2.3935	6.0	2.2953	5.5	106.7
Ecn CIV	Ω									-:			105.1
SDAt -		1.5131 1.219749	+0.0033	122 - 140	1.5141	1.5067	1.5051	3.2	1.4974	3.1	1.454	3.0	-
Americas	_	1.218748	•	-	-	•	-	•	:		•	•	•
Amentina .	Pesor	1.6361	· TU UDES	356 - 365	1,6367	. 1.6273	_						
Agaille a Brazil	- FS	1.8333	+0.0067		1.8340	1.8182			•	•	-	-	•
Ceneda .	- (CS)	2.3514	+0.0108		2.3550	2.3535	2.3348	3.1	2.3243	28	2.2838	24	82.3
	Peso)	13.4206		087 - 324	13.5309	13.3253	13.6303		13.9112		15.0711	-11.7	06-4
USA	(3)	1.6371	+0.0076		1.6378	1.6276	1.6269	1.9	1.622	1.9	1.6003	1.8	109.E
Pacific/Middle									1.022				100.0
Australia	(AS)	2.4723	-0.0425	703 - 743	2.4989	2.4577	2.5097	2.4	2.4995	24	2.4574	2.3	B6.5
Hona Kona	0.00	12.8645	+0.0533		12,6710	12.5960	12,6925		12.8246	_	18.4414	-6.8	
india	(Rs)	65.2365		549 - 181	65,8540		-		12.0240		-	-0.0	-
Israel	(Shk)	5.9148		073 - 223	5.9250	5.8800		-	_	-	-		
Jacan	m	211,155		040 - 270	212,140	208,930	211.367	7.1	208,857	6.9	198,472	6.7	120.8
Malaysia	0.451	6.8597			7.1285	6.7364	7.0125	1.7	7.0177	0.3	7.1848	-2.3	
New Zeeland	(NZS)	2,7801		781 - 820	2,8191	2.7651	2.8263		2.8311	-1.1	2.8432	-0.7	103.5
Philippines	(Peso)	67.7739		734 - 744	68.1964	67.6411		-	69.9712	-12.9	76,4544	-12.B	
Saudi Arabia	(SRI)	6.1403		382 - 424	6.1431	8.1058	6.1056	1.3	8.0913	1.4	6.0322	1.3	
Singacore	(53)	2.8354	-0.0349		2.8849	2.7835	2.8918		2,9082	-5.8	2.9629	-32	-
South Africa	(Fi)	B.1370	+0.028		8.1481	8.0888	8.1659		8.2633	-7.6	8.8374	-6.5	-
South Kores	(Wont	2650.39		147 - 930	2578.88			•		-	-		
Taiwan	(LZ)	55,3577		040 - 114	55,4672	55,1034	55,2996	1.5	55.1645	1.5	54.5557	1.5	-
Thelland	(Bi)			488 - 150		75.8510			88.8405				-
† Rates for Jen 1 average 1990 = 1 CLOSING SPOT The exchange rab	Oit Inde and FOR	PROPERTY TATE	2/95, Bid, o E services.	tier, mid spet Some values	pates and fo	ward rates by the F.T	in both th						
				·									
CROSS	RAT	ES AN	ID DE	RIVATI	VES								

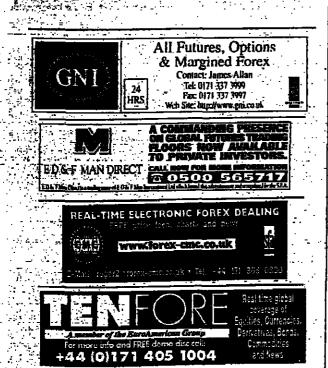


D-MAR	K FUTUR	EŞ (IMM)	DM 125,0	00 per DM	<u> </u>			# JAP	ANESE YEN	FUTURE	S (IMM) Ye	n 12.5m	per Yan 10	<u> </u>	
-	Орел	Sett price	Change	High	Low	Est. val	Open int.		Open	Sett price	Chenge	High	Low	Est. vol	Open in
Aar	0.5475	0.5175	·	0.5501	0.5465	25,137	113,488	Mer	0.7767	0.7805	+0.0031	0.7872	0.7741	30,185	90,936
ÚN.	0.5504	0.5501	-	0.5525	0.5503	72	3,367	سيان	0.7950	0.7905	+0.0031	0.7963	D.7904	53	2,257
90		0.5524	-		. —	31	1,633	Sep	0.8062	0.8005	+0.0032	0.8062	0.8020	158	340
swiss	FRANC F	UTURES	(BMM) SFr	125,000 p	er Sfr			N STE	RLING FUT	JRES (MA	A) £62,500	per £			
fa :	0.6715	0.6720	+0,0008	0.6753	0.6711	20,918	62,714	Mar	1.6248	1.6296	+0.0050	1.6336	1,6228	5,504	33,998
un .	0.6790	0.6787	+0,0008	0.6815	0.5785	140	1,016	Jun	1.6150	1.6218	+0.0050	1,6250	1.6150	13	1,401
iép '	· -	0.6852	+0.0008	0.6880	· -	5	1,107	Sep	-	1.6144	+0.0050	1.6180	-	2	5

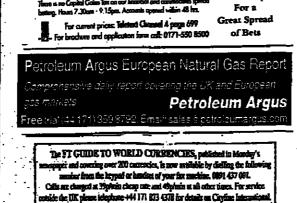
R THE	E MONTI	STEPLIN	O FUTUR	es (Liffe	2500,00	O points of	100%
	Open	Sett price	Change	High	LOW	Est. vol	Open Int.
Mar .	92.44	92.42	-0.04	92,44	92.40	2384B	142680
Jun	92,54	92.48	-0.06	92.54	92.46	47002	126519
Sep	92.72	92.64	-0.09	92.72	92.63	27932	101143
Dec	92.90	92.85	-0.08	92.92	92.85	14619	91542
Mar	93.09	93.07	-0.05	93.12	93.06	5920	73557
Also trade	ed on APT. A	A Open trans	es figs. are	tor previou	us dey.		
silof	T STERL	NG OPTIO	NS (LIFFE	2500,00	O points o	f 100%	-
Strike		CAL	LS			PUTS	
Price	M	ar Ju	n 8	iep	Mer	Jun	Sep
_							

		days Une	nonths	montha .	year	i. Mar	92,44	92.42	-0.04	нідп 92.44	92.40	2384B	142680
Interbank Sterling	6 74	7 73a 7 L	72 - 72	75 71.	75a - 7la	Jun	92,54	92.48	-0.08	92.54	92,46	47002	126519
Stating CDs	16-0 14		72 7			Sep	92.72	92.64	-0.09	92.72	92.63	27932	101143
Treasury Bills			76 - 76		1,12 1,32	Dec	92.90	92.85	-0.08	92.92	92.85	14619	91542
Benk Bills	_	- 72 - 71 - 72 - 71	75 - 75	7.6 . 73		Mar	93.09	93.07	-0.05	93.12	93.06	5920	73557
Local authority deps. Discount Market deps. 7	· 7 74 3 - 74 74	· 74 74 74	713 715	712 - 713	713 - 713	Also traded	on APT. A	I Open trans	es figs. an	tor previo	us dey.		
	; <u>.</u>			-			-						
UK clearing bank base k	inding rate 7	4 percentinos	n Neo⊌ 6,19	197		SHORT	STERL	NG OPTIO	NS (LIFFE	3 2500,00	O points o	£ 100%	
		to 1 1-3 onth month	3-6 months	6-0 months	9-12 manths	Strike		CAL				PUTS	
						Price	Ma			Sep	Mar	Jun	Sep
Certs of Tax dep. (2100)		2 ¹ 2 5 ¹ 2	.5.	. 3	43	9225	0.23	3 0.34	5 0	.53	0.06	0.12	0.14
Certs of Tax dep, under £10	10,000 is 2 ¹ 2pc	. Deposits withdr	IBMU (OL CSS)	ı l'upe.	Bal	9250	0.09	0.19	9 0	.35	0.17	0.21	0.21
Ave. tender rate of discount up day Dac 31, 1997. Agree	on Jan 9. 6.8	748pc. HUGU 700	50 mage 2019. (expon mean	120. MRP4) . JU O CASS	9275	0.02	2 0.0	9 0	22	0.35	0.36	0.33
Reference rate for period No House Base Rate Spc from	,,, 28, 1997 ₩	Dec 31, 1997, Sc	chemes N &	V 7.709pc.	Finance	Est. vol. tot	al, Calls 964	48 Puts 1170)1, Previous	day's cod	in int., Colle	: 188339 Ри	m 169081
				- . • •	,			-					

Bank of Cyonus	7.25	LIBORD DELM WIT STRE		CHIES DAW OF NUM	
Benix of Ireland	7.25	OHambros Bank	725	Unity Trust Sent Pic	
Bank of India	7.25	Hentable & Gen Inv		Wheeaway Laidlaw	
Bank of Scotland	7.25	C. Hozere & Co Hongkong & Shangi	7.25 1217.25	Yorkshire Bank	7.25
Barclays Bank Brit Sk of Mic East	7.25 7.25	Invested Bank (UK)	19725	 Members of Lond 	
●Brown Shipley & Co Ltd		Justan Hodge Bank •Leonold Joseph & So	7.25 ns 7.25	Investment Banki Association	ng
Chibank NA	7.25	Uoyds Bank	7.25	" in administration	
Chydiasdale Bank The Co-operative Ban	7.25 k7.25	Midlend Bank NetWestminster	7.25 7.25		
Courts & Co	7.25	GRaa Brothers	7.25		
Cyprus Popular Bank Duncan Lawria	725 725	Royal Bk of Scotland Scottish Widows Bar			
-	<u></u> .	COURS MICHE BA	IR 1.43		



UK INTEREST RATES LONDON MONEY RATES



Capital Gains Tax city in





WANT TO KNOW A SECRET? The I.D.S./G.M.L. Seminar will show you how the markets REALLY work. The smazing trading techniques of the legendary W.D. Gann can increase your profits and costain your losses. How? That's the secret. | Insert is time Management Lat for St. replaced trades whether the St. replaced trades whether the St. replaced trades whether the St. replaced trades that stress lat a secret.









Average Unit Trust

Building Society

UK Growth

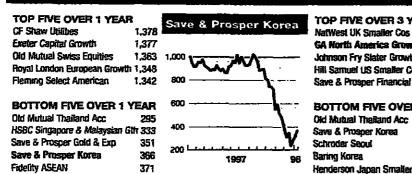
OM Hartley Growth

Johnson Fry Slater Growth

Bank

Average Investment Trust

■ WINNERS AND LOSERS



1117

1402 2031 3274

1 year (E) 3 5 10 Volatify Ytd'S

1078 1946 2097 2497 3.0

1158 2432 2608 4742 3.0 0.8

1195 1972 2359 2623 2.5 0.5

1036 1111 1201 1805 0.0 5.4

1039 1115 1198 1804

1211 1754 2110 3726

TOP FIVE OVER 3 YEARS VatWest UK Smaller Cos GA North America Growth Johnson Fry Slater Growth Hill Samuel US Smaller Cos Save & Prosper Financial Secs 2,191

GA North America Gth 2,516 2,432 3,000 2.205 **BOTTOM FIVE OVER 3 YEARS** 203 224 270 Henderson Japan Smaller Cos

1072 1559 1963

1221 1477 1773

1180 1460

1120 1488 1949 2588

1114 1545 1984 2652 2.3 2.7

1187 1441 1725 2535 1.4 7.6

1250 1435 1671 2690 2.2 6.5

1111 1348 1509 2125 1.6 6.4

1124 1318 1298 2055 2.8 6.0

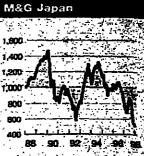
TOP FIVE OVER 5 YEARS. Jupiter European Old Mutual Eurocean 3.176 GA North America Growth Jupiter European 3,113 3,500 vesco European Growth 3,047 Gartmore European Sel Opos 3,037 2,500 BOTTOM FIVE OVER 5 YEARS Save & Prosper Korea 195 Old Mutual Thailand Acc 375 1.500 Baring Korea 435 Henderson Japan Smaller Cos 554 Barino Japan Sunnise 585

TOP FIVE OVER 10 YEARS. F&C US Small Companies 10,703 Hill Samuel US Smaller Cos 8,982 Framington Health GA North America Growth. Gartmore American Emer Gilh Barclays Japan loc .

■ Best Peps

7:071 1,400 . 7,029 1.200 BOTTOM FIVE OVER 10 YEARS 1,000 453 474 Henderson Japan Smaller Cos 511 Baring Japan Sundse

NatWest UK Smaller Cos - 1117 2780



852 1249 1958 2505 5.5 1.9

- Source: REUTERS (Tel: 01625 511311)

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year perform

0.0 5.7

26 32

- 2.4 2.1

■ Indices UK E

NPI LIK Extra Income Inc

■ UK Fixed Interest

AberdeenProlific Fix Interest

CU PPT Monthly Income Plus

Dresdner RCM Preference Inc.

SECTOR AVERAGE

M&G Corporate Bond

CU PPT Preference Inc.

City Financial Beckman Int'l

Barclays BGI Intl Fix Int Inc.

AES Intl Bond & Convertible

SECTOR AVERAGE

t	time periods. Trusts are	ranke	d on a	3-yea	r per	forma	nce.	Warning: past performan	ce is n	ot a ç	juide	to fut	ure p	erfor
	■ UK Eq & Bd	1 year (E)	3	5	10	Volatility	Y14%		year (C)	3	5 .	10	/otenity	Yk/%
	BWD Balanced Portfolio	1123	1785	2399		- 3.1	1.1	Save & Prosper Financial Secs	1206	2191	2827	4750	34	19
	Perpetual High Income	1164	1694	2339		- 2.4	2.6	Framington Health	-			7334		
	Credit Suisse High Income Por	1 1149	1637	2091		- 25	3.9	Framington Financial				6359		
	Canlife Income Dis	1156	1580	1907	2686	3 22	31	Abertisen Prolific Technology				7000		7.0

SECTOR AVERAGE

Martin Currie Japan

- 2.2 3.1

- 1.8 7.3

1.5 6.1

- 1.0 4.9 - 1.3 5.8

AberdeenProlific Technology	976	1994	2608	7022	7.1	
Save & Prosper Growth	1176	1863	2480	4210	3.1	1.
SECTOR AVERAGE	1043	1331	1677	2922	3.8	1.
■ Nth America						
GA North America Growth	1260	2516	3176	7071	4.6	Q.
Hill Samuel US Smaller Co's	1076	2205	2524	8982	5.3	
Dresdner RCM America Sm Co	1125	2142	2103	4208	4.7	
Royal & SunAli Nth America	1272	2141	2736	5916	4.0	G.:

Henderson American Small Cos 1176 2065 2385 6385 5.2

1142 1773 1959 4585

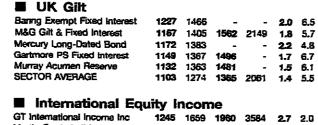
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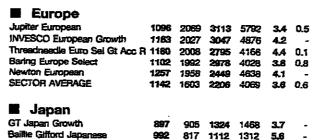
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- 5.8 - 4.9

	משום מינות ביות ביות מיות מיות מיות מיות מיות מיות מיות מ				
-	Gastmore UK Smaller Companie	s 1103	2429	2751	33 0
A	Jupiter European	1096	2069	3113	- 3.4 PS
.0				1991	- 28 27
	Property 1	year (£)	3	5. 40	. Yoursely Yield
.0	. AberdeenProlific Property Shre	1124	1552	2337	- 28 13
-	Norwich Property	1082	1225	1616	- 1.0 5.4
<u>.</u> .	Barclays Property	1030	1166	1370	- 0.9 5,6
.3	SECTOR AVERAGE	1078	1314	1774 -	- 1.6 4.2
-				٠:	
.5	· -				

Standard Life UK Eq Growth A	cc 1079	1893	2094	3912	2.6	1.2	
SECTOR AVERAGE	1113	1603	1918	2803	2.7	1.7	
UK Growth & In	come	•					
Fleming Select UK Income	1297	1886	2308	3200	2.6	2.8	
Britannia UK General Inc	1162	1786	1905	2584	2.8	2.8	
Perpetual Income	1157	1753	2394	3582	2.7	2.3	
Lazard UK Income & Growth	1163	1741	2069	3144	2.6	3.0	
HSBC Footsie Fund	1257	1732	_	-	3.0	2.0	
SECTOR AVERAGE	1149	1584	1867	2923	2.7	2.4	

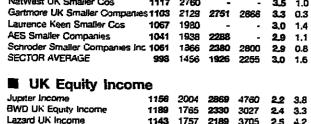






Commodity & Energy

M&G Australasian Acc



Marun Cume Intil Income	1125	1523	1903	-	2.7	4.
M&G International Income	1095	1446	1805	3248	2.8	4.
Mayflower Global Income	1137	1435	1841	2777	2.3	2.
Premier Global 100	1048	1370	1516	1874	3.3	0.0
SECTOR AVERAGE	1103	1449	1765	2802	2.8	2.0
■ International Fix	xed In	teres	st			
Baring Global Bond	1072	1376	1481	-	1.5	4.8
Newton International Road	1078	1325	1306		9.0	4 4

1031 1280

1065 1262 1356

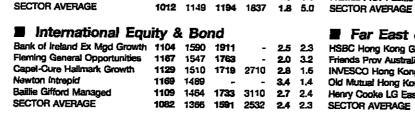
SECTOR AVERAGE	763	575	871	907	5.8	0.6
Far East inc Jap	an					
AIB Govett Greater China	683	873	1356	2829	6.8	-
Royal & SunAli Far East	682	825	1128	1208	5.9	-
Schroder Far East Growth Inc	712	810	1294	-	5.8	0,3
Jupiter Far Eastern	776	799	1127	_	6.1	_
Friends Prov Pacific Basin	710	792	1166	1546	5.3	0.2
SECTOR AVERAGE	646	680	1007	1708	5.6	1,1

872

797

■ Fund of Funds				,· ,·	
Royal & SunAll Portfolio	1075	1541	1889		3.0 1.1
TSB Selector	1099	1484	1705		25 14
Mercury Managed Income	1110	1476	-		1.9 3.5
Mercury Managed Growth	1081	1453	-		28 11
Lazard Income Inc	1125	1450	1638		24 34
SECTOR AVERAGE	1029	1286	1596	2355	26 15

Newton Higher Income	1224	1737	1860	3282	2.7	4.0
Metropolitan UK Income	1192	1734	1995	3690	2.6	3.8
SECTOR AVERAGE	1149	1562	1920	2898	2.5	4,1
■ UK Equity & Bo	nd In	com	e			
HSBC High Income	1195	1661	- -	-	2.0	5.3
AberdeenProlific Extra Income	1121	1615	1907	2771	2,4	3.9
Edinburgh High Distribution	1166	1598	1932	2239	2,4	3.6
CIS UK Income	1210	1593	1879		2.5	3.5
Midland Monthly Income	1210	1579	-	-	2.2	3.9
SECTOR AVERAGE	1122	1439	1762	2431	2.1	5.1





Global Emerging Mkts Mercury Emerging Markets 861 1151 Stewart Ivory Emerging Market Portfolio Emerging Markets Rothschild FAP Emerging Mkts 839 . 897 Save & Prosper Emerging Mkts 853 880 SECTOR AVERAGE 814 874 1181 2420 5.8

INVESTMENT TRUSTS

■ WINNERS	AND	LOSERS
TOP FIVE OVER 1 YEAR Scottish National Capital		Korea-Europe Fund
St Davids 2nd Residual	4,636 3,895	
Fulcrum Capital	3,522	1,400
Framlington Dual Capital	3,149	1200 🛦
Fleming Income & Growth Ca	ap 2,200	1,000
BOTTOM FIVE OVER 1	YEAR	800
Korea-Europe Fund	301	600
Korea Liberalisation Fund	304	400
Edinburgh Java	319	
Aberdeen New Thai	325	200 1997 98
Pacific Assots	330	.551

1424 2181

1275 1939 2837 1217 1806 2076

UK General

Edinburgh UK Tracker

Fleming Claverhouse

Mercury Keystone

Govett Strategic

Albany



knyesco Korea

Jupiter Primadona

Baring Stratton

TR Technology (Units)

Henderson Electric and General

North Atlantic Smaller Cos

Mercury European Pri-

SECTOR AVERAGE

RIT Capital Partners

5 Das/Pm(+) Volatility Yto% **III Int Cap Gth**

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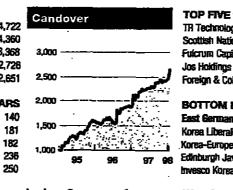
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1 year (C) 3 5 Des/Pm(+) Volatility Yid% 📕 Japan

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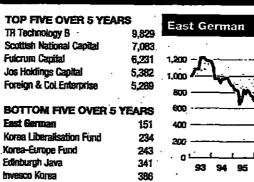
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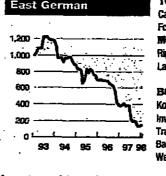
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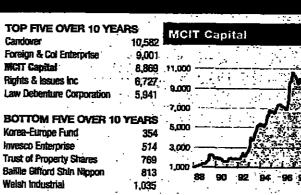
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Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance. For investment trust prices see main paper.

GT Japan

Baillie Gifford Japan

SECTOR AVERAGE	1197	1627	2152	-	3.3	3.5	
■ UK Capital Growt	h						
Schroder UK Growth	1120	1711	_	2	3.8	3.0	
Undervalued Assets	981	1690	_	9	3.8	2.0	
Ivory & Sime ISIS	1182	1674	_	21	4.4	2.0	
Kleinwort 2nd Endowment Policy		1643	Ū	-5	2.9	_	
Fidelity Special Values	1084	1569	_	11		1.2	
SECTOR AVERAGE	1089	1527	1762	-	3.5	2.0	
■ Smaller Companie	s						
INVESCO English & Inti	987	2028	5239	6	4.2	0.9	
Henderson Strata	1091	1877	2815	-1	4.3	0.1	
Gartmore Smaller Companies	1033	1809	2609	10	4.3	2.2	
NatWest Smaller Companies	1003	1693	2333	10	5.1	2.5	
Herald	999	1571	-	18	5.8	0.7	
SECTOR AVERAGE	995	1344	1955	-	4.0	2.4	
■ IIK income Groud	h						

SECTOR AVERAGE	1106	1430	2002	-	3.7	1.8
■ International Ger	neral					
Personal Assets	1342	2036	2466	-	21	1.8
Law Debenture Corporation	1234	1657	2337	-14	3.6	3,1
Majedie	1247	1646	2061	11	2.6	3.0
Scottish Investment	1157	1642	1925	16	3.0	2.5
Baring Tribune	1283	1621	2023	11	3.2	2.1
SECTOR AVERAGE	1184	1545	1982	-	3.2	2.5
■ North America						

1098

1158

Edinburgh Japan	842	603	1000	12	6.6	
Schroder Japan Growth	918	602	-	9	7.3	
Herning Japanese	789	570	1028	11	6.4	
SECTOR AVERAGE	706	483	952	•	7.2	
Far East exc Ja	pan. G	ener	al			
acific Horizon	508	688	845	19	7.2	
R Pacific	508	564	1010	11	9.6	
dinburgh Dragon	615	552	800	19	7.3	
lambros Smaller Aslan	388	546	-	25	8.7	
Uptrust New Dawn	516	531	794	19	6.9	
SECTOR AVERAGE	459	488	764	_	8.2	

	3	5 Dis	/Prc(-)	Volatility	Ykf%	High Income	1 year (E)	3	5 Dis	Pa()	Votatili	YMY
	689	1097	6	6.3	0.6	Gartmore Scotland (Units)	1299	1703	1975	٠.	3.1	43
	670	986	9	6.7	-	Shires Income	1430	1690		4		5.9
	603	1000	12	6.6	-	Dartmoor	1480	1657	2635	-7		10.9
	602	-	9	7.3	-	Abtrust High Income	1574	1611	-	2	5.1	8.5
	570	1028	11	6.4	-	Glasgow Income	1337	1600	2215	7.	3.4	- 5.8
	483	952	-	7.2	0.6	SECTOR AVERAGE	1355	1556	2199		4.3	7.3
ì	enei	al				Split - Capital						•
	688	845	19	7.2	1.5	Scottish National Cap	4636	4722	7083	28	17.6	_
	564	1010	11	9.6	0.5	Gartmore Scotland Cap	2099	2726		44	6.3	
	552	800	19	7.3	-	Henderson American C&I Cap	1396	2309	2268	12	4.3	-
			^-									

INVESCO English & Intl	987	2028	5239	6	4.2	0.9
Henderson Strata	1091	1877	2815	-1	4.3	0.1
Gartmore Smaller Companies	1033	1809	2609	10	4.3	2.2
NatWest Smaller Companies	1003	1693	2333	10	5.1	2.5
Herald	999	1571	-	18	5.8	0.7
SECTOR AVERAGE	995	1344	1955	-	4.0	2.4
■ UK Income Grow	vth					
Investors Capital Growth	1339	1829	-	22	42	_
City of London	1364	1823	2206	-3	3.2	3.4
Temple Bar	1314	1658	2126	7	4.0	4.2
Gartmore Brit Inc & Gth(Units)	1180	1648	•	7	1.9	4.1
Fleming Inc & Cap (Units)	1305	1647	1845	6	2.8	4.2

Fleming American	1365	1983	2190	10	4.4	0.6
Edinburgh US Track 25p	1361	1862	2128	6	4.6	1.6
US Smaller Companies	1174	1706	1744	14	4.8	•
Foreign & Col US Small Cos	1134	1617	_	19	4.3	
SECTOR AVERAGE	1102	1689	2179	-	5.1	1.2
■ Continental Euro	ne					
TR European Growth	1204	2196	4637	-4	3.8	0.7
Gartmore Europeen	1327	2019	3159	-3	4.4	0.8
Henderson EuroTrust (Units)	1218	1877	2422	7	4.7	1.2
Cidelity Consessed Value						

CEDION AVERAGE	408	400	104	-	8.2	1.1
Far East exc Jap	oan, S	ingle	Co	unt	TV	
New Zealand	657	832	1416	15	5.1	3.1
Aberdeen New Thai	325	313	467	-7	8.0	4.0
Siam Selective Growth	371	281	534	9	8.1	_
Edinburgh Java	319	265	341	-7	10.9	
INVESCO Korea	448	250	386	1	9.0	_
SECTOR AVERAGE	428	312	517	-	9.8	2.2
■ Emerging Market	ts					•

Tay Split Capital Cap CTOR AVERAGE	5 6.0 - 6.6 4	ļ.
	6.6 4	ļ.
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Split - Inc & Resi	8	
Technology B	B.3 12	
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wort High Income	6.0 11.	
derson EuroTrust	60 1	ì
ning Google Income 9 Acces	5.0 1	
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Investors Capital Growth	1339	1829	~	22	42	_	
City of London	1364	1823	2206	-3	3.2	3.4	
Temple Bar	1314	1658	2126	7	4.0	4.2	
Gartmore Brit Inc & Gth(Units)	1180	1648		7	1.9	4.1	
Fleming Inc & Cap (Units)	1305	1647	1845	6	2.6	4.2	
SECTOR AVERAGE	1220	1589	1996	-	3.4	5.0	
■ Venture and Devi	Сар	ı					
Foreign & Col Enterprise	1772	3368	5289	-6	3.6	16	
Candover	1245	2651	3669	-13	44	2.6	
Th 00							

- Commission Faid	PC					
TR European Growth	1204	2196	4637	-4	3.8	0.7
Gartmore European	1327	2019	3158	-3	4.4	0.8
Henderson EuroTrust (Units)	1218	1877	2422	7	4.7	1.2
Fidelity European Values	1265	1820	2960	2	3.3	0.2
Foreign & Col Eurotrust	1217	1780	2286	3	3.7	0.4
SECTOR AVERAGE	1165	1705	2595	-		1.0
Pan Europe						
Kleinusot Charter	4000	4070	OFGO	40		

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Baring Emerging Europe	1191	2303	-	4	11.3	
Scudder Latin America	1116	1349	_	15	8.8	0
Templeton Latin America	1035	1339	_	17	9.2	ō
Central European Growth Fund	917	1245	-	16	10.4	_
Latin American	1057	1124	1151		10.4	
SECTOR AVERAGE	930	1063	1329	-		0
■ Closed End Fund	s					
Capital Gearing	1145	1673	2123	3	2.3	Đ
Exeter Preferred Capital	1413		1719	29	4.5	0
Invesco City & Commonial	4044	1050	1113	20	4.5	-

5	SECTOR AVERAGE	1477	1724	2735	-	6.0 1	
	■ Split - Income			•			٠.
_	Rights & Issues Inc	1206	2101	3157	_	4.1	8.5
5	Jove Inc	1270	1627	1903		3.0 1	
4	M&G Recovery Inc	1158	1575	1747		4.5 3	
-	Jupiter Geared Inc	1291	1554	1694		3.5 1	-
~	Henderson American C&I Inc	1247	1492	1563		20	
7	SECTOR AVERAGE	1143	1349				
		1143	1349	1603		3.5 .1	62
	■ Split - Zero Divide	end			•		٠

Gartmore Brit Inc & Gth Zero

M&G Recovery Zero Div Prf

Friends Prov Ethical Zero Prf

Johnson Fry Europe Utils Zero

Foreign & Col Enterprise	1772	3368	5289	-6	3.6	1.6	
Candover	1245	2651	3669	_	4.4	2.6	i
Thompson Citys	1137		3214		5.4	1.4	
Kleinwort Development Fund	1135	2048	2984		3.3	4.9	•
Dunedin Enterprise	1136	2005	3166	9	3.4	4.2	
SECTOR AVERAGE	1094	1647	2610	-	4.3	3.0	
Int Income Grow	rth						ı
Securities Trust of Scotland	1212	1622	1845	9	3.6	4.0	1
British Assets Ordinary	1209	1544	1513	15	3.6	5.1	ı

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■ FE inc Japan						
Henderson Far East Income	670	919	1152	11	8.6	8.9
Martin Currie Pacific	735	865	1185			1.0
Foreign & Col Pacific	689	767	1206	17	6.3	2.0
Govett Oriental	558	510	980	13	6.6	0.9
RECTOR AMERICE						

	,	1200	_		-	
Scottish Value	1018	1236	1873	11	3.4	2.0
London & St Lawrence	1142	1198	1669	21	1.9	4.6
SECTOR AVERAGE	1169	1357	1846	-	3.3	2.4
■ Property						
TR Property	1236	1688	2819	9	5.4	
Wigmore Property	1086	1506			5.2	1.1
Trust of Property Shares	1148	1352	1454		6.0	2.9
French Property	1060	1147	1594	16	3.8	3.1
SECTOR AVERAGE	1133	1423	1956	-	5.1	2.5

Henderson Euro Zero Div Pri SECTOR AVERAGE	1150 1106	1493 1394	1581. 1591	- 23 - 23 - 1.7	-
land from results allow for the spread between a horostoners front receive see calculated on mid- standard deviation of mostley price movements for describen link stay fittier missesses are dispossed four standard deviation senses has mortily enter- relatively four. A high figure represents a more vote bank 50-day smoothly actional and relation to an in- surings account building lass near CLOON). Investiga suchas account building lass near CLOON).	ensel pages i sech fund er secund its er s for a ghee (29 performan	etto out ing er the publi erage and i tame show se. Yigids a	ome tokve 3 years, A 6 1 commo r Voie varis re gross, Ba	e self lecome : olect. Voluntity : Lung's standard in appearin of v fich and the v rik hader (tiles)	nimistr story fo design desity. T desity i to Lloyd

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Performance: Tables like these are full of traps for the unwary. Trap 1: don't expect them to tell you which trusts will do best in future - they are merely a historic record. Trap 2: don't make minute comparisons of unit and investment trusts - the unit trust figures take account of the spread between buying and selling prices; the

investment trust ones take mid-market

prices in both cases. So comparisons

flatter investment trusts.

Murray International

SECTOR AVERAGE

ity of a trust's performance. As a rule unwary. Most unit trusts charge their of thumb, the more volatile a fund's progress, the higher the return investors demand from it to compensate for the additional risk. Unusually volatile are allowed to charge some or all of funds should be avoided by anyone their management expenses to capital. investing over the short or medium term or those who cannot afford big funds pages identifies those trusts losses. But investors who can afford to take a long-term view may want to trusts used all to charge expenses have some high risk/high reward trusts against income, but some now charge In their portfolio to spice it up.

Volatility: Shows the absolute variabil- Yield: Even this has traps for the management expenses against income. so the yield is net of expenses. But a recent rule change means that trusts thus inflating the yield. Our managed which charge to capital. Investment some against capital.

Peps: Some, but not all, unit and investment trusts can be put into a general personal equity plan which shields investors against both income and capital gains tax. The Pep rules are that you can put £6,000 into a general company Pep). To qualify for the full £5,000 general Pep allowance, a minimum of 50 per cent of a plan's assets must be held in European Union shares or qualifying corporate bonds. A trust but is still 50 per cent invested in shares, is non-qualifying and limited to a Pep content of £1,500.

Discount: Investment trust shares tra- Split capital trusts: Caveat emptor. If Pep (and a further £3,000 into a single although they have mainly narrowed simple: income shares get all the which has more overseas investment, ment trusts look better than unit isfy different investment needs. trusts on longer-term comparisons,

ditionally sell for less than their you do not already know what they underlying asset value. The gap are, you would probably be wiser to between the two is known as the discount. In the 1974 bear market, dis-counts were as wide as 45 per cent and The traditional variety is relatively to well under 10 per cent in recent income; capital shares get any capital years, they add an additional uncergrowth over the life of the trust. But tainty to investment trust share price nowadays splits are highly complex prospects. The sharp narrowing of the with several different types of security discount is another reason why invest- with differing rights, and aimed to sat-

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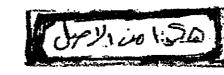
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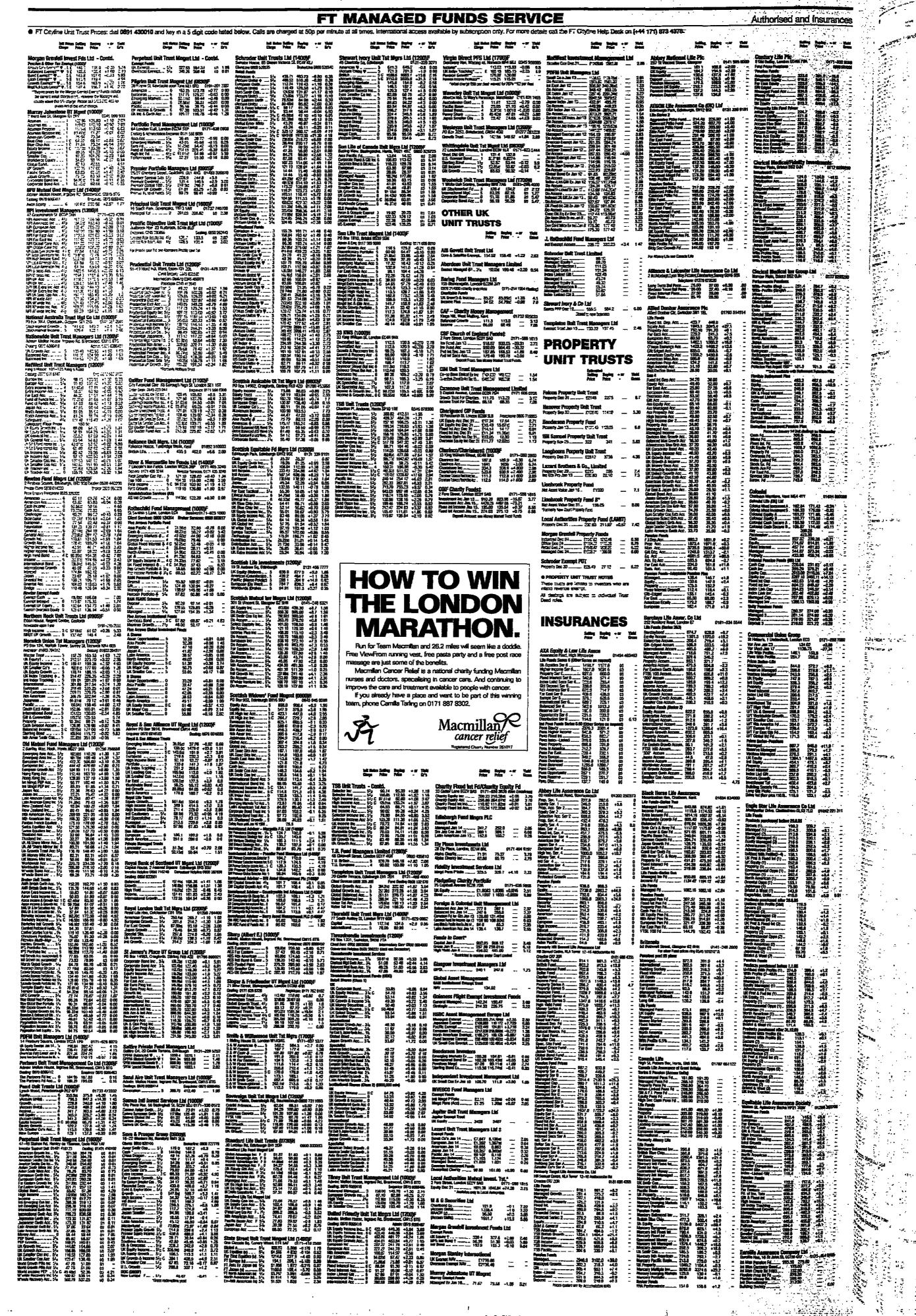
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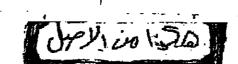
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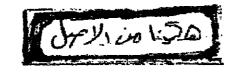
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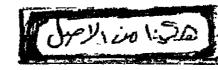
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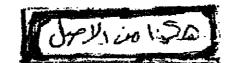
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LONDON STOCK EXCHANGE

Footsie moves to striking distance of all-time high

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By Steve Thompson. UK Stock Market Editor .

substantial step towards its previous all-time highs yesterday. shrugging aside a near threefigure decline on Wall Street overnight and responding to another influx of institutional cash and a strong opening by the

US stock market yesterday. Sentiment in London and the rest of Europe was lifted by generally positive performances by the Asian markets, with Tokyo standing out. However, dealers

don's surge.

The prevailing theory was the

which has to find a home. "Asia is being ruled out for the obvious reasons. Continental European markets have outperyear or so, as has Wall Street and both are seen as overvalued -

which leaves the UK." He added that the prospect of more share buy-backs, such as that proposed last week by Rio-Tinto, plus special dividends and the possibility of a series of bids

tive.

"weight of money" argument. As back of takeover speculation, represented in the table of FTSE sustained pressure all week. one market observer put it: "The London got a further boost from 100's best performers. The FTSE 100 index took another institutions are full of cash a strong opening on Wall Street.

only 67.7 away from its previous catalogue-based chain of stores. closing high, 5,330.8, reached on

October 3. on October 2. As London closed, dealers were

speculating on the potential for of poorly performing retailers turing more than half of the marmore takeovers in the near and engineers, the FTSE 250 ket's total.

tals played the main part in Lon- made London look more attrac- future, with the bank sector, long index finished the session 3.7 seen as the most fertile ground lower at 4,812.6. Unlike the FTSE After a morning lift on the for corporate activity, heavily 100, the 250 index has come under

Footsie ended a session feature there were numerous casualties, about the Asian turmoil. ing much-increased turnover, with the retailers taking another with a net 97.3 gain at 5,263.1. hammering after a poorly- like the 250 index ran into pock-That rise left the index up 124.8, received Christmas trading ets of selling during the early formed London over the past or 2.4 per cent, over the week and update, this time from Argos, the

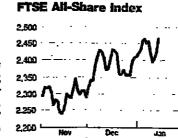
> took a hard pounding, with ana- five-day period. The index is 104.2 below its pre-lysts focusing on the probability vious intra-day record, attained of cancelled orders from Asian to match recently high levels of manufacturers.

Burdened by its large content

dropping 52 points, or just over Outside the leaders, however, one per cent, reflecting worries

The FTSE SmallCap, which part of the week, picked up yesterday, ending the day 6.0 higher The engineering sector also at 2,356.0, and up 7.82 over the

> Turnover in equities continued activity, reaching 980m shares at 6pm, with FTSE 100 stocks cap-



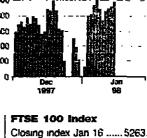


Long gill/equity yld ratio 1.96



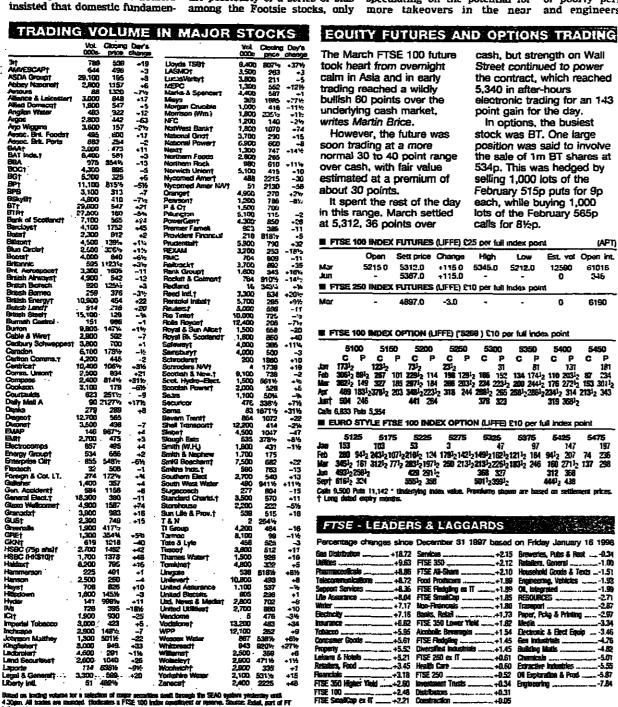
Equity shares traded

1,200



	1997	98
	FTSE 100 Inde	9 X
-3.7	Closing index Jan	16 5263.1
37.6	Change over wee	k +124.8
4.78	Jan 15	\$165.8
3.20	Jan 14	5108.9
34.7	Jan 13	5083.9
0.26	Jan 12	5068.8
36.0	High"	
6.14	Low*	49RS 3

1.93 I fintra-day high and low for week



FTSE Actuaries Share Indices
Produced in conjunction with the Pabulty and institute of Actuaries

Day's Year Gross Net Net P/E Xt'edt, Total Jan 16 chape's Jun 15 Jan 14 ago yid's yad's cover ratio yel Return

The March FTSE 100 future took heart from overnight calm in Asia and in early trading reached a wildly bullish 60 points over the underlying cash market. writes Martin Brice.

However, the future was soon trading at a more normal 30 to 40 point range over cash, with fair value estimated at a premium of about 30 points.

It spent the rest of the day in this range. March settled at 5,312, 36 points over

Street continued to power the contract, which reached 5,340 in after-hours electronic trading for an 143 point gain for the day. In options, the busiest

cash, but strength on Wall

stock was BT. One large position was said to involve 534p. This was hedged by selling 1,000 lots of the February 515p puts for 9p each, while buying 1,000 lots of the February 565p

calls for 81/2p. ■ FTSE 100 INDEX FUTURES (LIFFE) \$25 per full index point Open Sett price Change Low Est. vol Open int.

5215 0 5312.0 +115 0 5345.0 5212.0 12590 61016 - 5367.0 +115.0 - - 0 346 ■ FTSE 250 INDEX FUTURES (LIFFE) £10 per full Index point 4897.0 -3.0 IN FTSE 100 INDEX OPTION (LIFFE) ("5268) \$10 per full index point

Calls 6.833 Puts 5.354 ■ EURO STYLE FTSE 100 INDEX OPTION (LIFTE) \$10 per full index point

5125 5175 5225 5275 5326 5376 5425 5475

Jan 153 103 53 3 47 97 147 197

Feb 280 94½ 245½ 107½ 280½ 134 179½ 145½ 145½ 125½ 185½ 225 160 271½ 137 285½ 197½ 280 213½ 213½ 215½ 215½ 185 245½ 160 271½ 137 298

Jun 483½ 256½ 453 21½ 77½ 283½ 197½ 250 213½ 213½ 213½ 213½ 246 160 271½ 137 298

Jun 483½ 256½ 458 231½ 368 501½ 239½ 444½ 438 Calls 9.500 Puts 11,142 " Underlying Index value. Presidents str † Long detail equity months.



The UK Series

Rumours drive BT higher

By Peter John and Martin Brice

BT hit a new high to make a gain of more than 7 per cent over the week with turnover reaching 29m shares, the heaviest volume for any stock in London.

Institutions, which have big cash holdings and are keen to shift into equities. have been buying the most liquid, heavily weighted stocks.

BT, which is largely domestic in its exposure, has also been sought for its defensive characteristics in the light of the Asian crisis. The stock has outperformed the rest of the sector by 5 per cent and the FTSE All Share index by 13 per cent over the last month.

The shares were also bought earlier in the week after one broker highlighted returns and disgruntled the group's attractions to rival bidders. Yesterday they shrugged off a sell note from JP Morgan and rose 21 to

tion in the sector shifted to prices, leading the sector to Vodafone which jumped 34 suffer the biggest fall in the to 483p, the best perfor- market. mance in the blue-chip index.

Manchester United was one of the most heavily traded shares in the market, as an investor sold a stake of almost 8m shares at 155p via an agency cross.

158p as the stake, which corresponds to that owned by the Footsie were suffered by the Abu Dhabi Investment manufacturing exporters. Authority, was said to have with Rolls-Royce off 71/2 at been placed with a number 206p, GKN down 40 to £12.18, of institutions.

The shares improved 74 to for 1998.

financial sector. Bank of Scotland gained 24 to 565p. while Barclays climbed 45 to £17.52.

Argos was the worst performer in the FTSE 250. Its shares lost 63 to 442p following a trading statement that said like-for-like sales were

down 1.5 per cent. Asda raced up 8 to a record 195p as speculators continued to see the stock as a potential predator in the sector, focusing specifically on Safeway. The latter rose

111's to 366p. Exploration and production stocks were marked higher, supported by a bounce in the oil price and positive comment on the sector in 1998 from Merrill

Lynch. Cairn Energy were 61/2 higher at 445p and Lasmo added 3 at 263p, but Hardy slipped 31/2 to 258p and

Enterprise 61/2 to 5481/2p. In a 100-page note, Merrill highlighted the recent transformation of the UK exploration and production sector in 1997, which was driven by falling oil prices, poor

Engineering stocks suffered their worst falls for some days as fears of the impact of Asian market tur-The hunger for consolida- moil found its way into

investors.

Siebe pushed lower

Siebe was the biggest faller in the FTSE 100. The decline of 47 to £10.47 was said to have received a push from disappointing results The stock gained 11/2 to from Honeywell.

Most of the bigger slides in and GEC off 11 at 380p. National Westminster Glynwed was off 1312 to

£10.70 and led gains in the Allied Colloids, the speci- pany that has some 30 per at £16.71%.

NEW 52 WEEK HIGHS AND LOWS

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ality chemicals company. firmed 1's to 168'sp after the company produced what one analyst described as a "robust defence" against Hercules of the US.

above the original 155p offer would be more appropriate.

erty company, was one of gained 100 to £11.021, a the better performers in the record high. A rights issue FTSE 250 on a rumour that it is poised to announce a 640p. licensing agreement with General Motors for Torotrak. IT sector, helped recently by its next generation gearbox. comments from Merrill The shares rose 40 to 7221/sp. Lynch's smaller companies

machine engineering com- and Sema Group, ahead 3112

M CHIEF PRICE CHANGES YESTERDAY London (Pence) 600 + 1772217+ 40

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cent of sales in Asia. The shares rose 4^{3} , to 17^{4} \oplus in volume of 350,000 after interest was sparked by a block of 2.4m shares traded at 11p

on Thursday. A profits warning from City Centre Restaurants took the shares down 1512 to 117% after the company talked of a disappointing performance from its pizza

Elsewhere among smaller companies. Nord Anglia rose 39 to 319p after the educational services company announced an expansion in

The share price closed well New Zealand. FI, the information techprice and suggested an nology services group, conincreased price of 175p tinued to bask in the afterglow of strong results BTG, the intellectual prop- announced on Thursday and

in December was priced at Positive sentiment in the Outside the SmallCap, one team, spread to others in the recovered strongly as inves- 240p after ABN-Amro Hoare of the biggest rises was sector, including Logica, up tors gained confidence in its Govett cut its forecast for achieved by GBE Interna. 571 p to £12.671, with the resilience to Asian turmoil. the stock from £39m to £79m tional, the fledgling tobacco best rise in the FTSE 250.

LIFFE EQUITY OPTIONS RISES AND FALLS

•	Jan 16 chge% Jan 15 Jan 14 ago yluffs yeth cover ratio yet Return High Low High Low	resilience to Asian turmou. The stock from 239m to 279m The shares improved 74 to for 1998.
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FI'SE 360	2521.9 +1.5 2484.3 2461.9 2087.7 3.16 2.61 2.02 19.59 0.70 2225.4S 2595.3 3/10/97 2017.9 2/1/97 2555.3 3/10/97 664.5 14/1/86	,
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FISE 350 Lower Yield	2529.8 +1.5 2492.6 2472.5 2165.9 224 1.63 2.26 24.68 0.93 1819.65 2843.7 3/10/97 2106.2 10/1/97 2843.7 3/10/97 669.6 20/1/8/	Pdb
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PTSE Smedicup ex IT FTSE AR-Share	2362.54 +0.1 2358.33 2357.42 2300.65 3.23 (2.61 1.66 23.35 0.77 2052.40 2402.72 22/10/97 2139.02 20/7/97 2402.72 22/10/97 1363.79 31/7.252 2461.58 +1.4 2426.80 2406.42 2061.07 3.15 2.60 1.99 19.90 0.70 2204.73 2462.41 3/10/97 1869.78 21/197 2462.41 3/10/97 61.92 13/7.274	
FISE ASI-Shere ex IT	2468.48 +1.4 2433.34 2412.25 - 3.18 2.63 2.01 19.56 0.67 1137.32 2485.84 3/10/97 2172.42 4/8/97 2495.84 3/10/97 2172.42 4/6/97	
■ FTSE Actuaries		Abbey Ned 1150 37% 564 174 11 654 56 GEC 360 25 37% 45 65: 13 21% 11751 1200 12 714 165 36 95 114 (*3795*) 380 84 214 25*, 19 35% 35*
	Day's Year Gross Net Net P/E Xd adj. Total	Aller and Aller 100 All 100 Aller - February
10 RESOURCES(22)	4378.55 -0.5 4399.88 4336.16 4026.74 3.57 2.92 1.81 18.38 0.00 1982.88 5202.56 3/10/97 3891.28 3/16/7 5202.56 3/10/97 980.20 19/2/86	(*843'%) 559 914 4014 55 14 4614 57%
12 Extractive industries(5)	2656.58 +0.2 2651.78 2636.34 3866.00 4.84 4.36 1.88 13.45 0.00 680.47 4609.25 166/67 2782.39 13/1/98 4768.29 7/5/95 1000.00 31/12/85 4862.70 _0.8 4871.63 4800.27 4165.61 3.58 2.88 1.77 18.70 0.00 2260.94 5817.46 7/10/97 4005.34 37/97 5817.46 7/10/97 982.30 20/2/86	i (*544½) 550 6 32 45 10½ 28½ 38½ (*558) 600 81½ 26 – 37½ 55 –
15 (M. Integrated)(4) 18 Oil Exploration & Prod(13)	485270	PATTA 500 1 21 21% 20% AD 40%
20 GEN MEDUSTRIALS(227)	1902.94 -1.7 1936.51 1945.57 2018.74 4.03 3.43 2.01 15.44 0.22 1102.81 2189.98 14/10/97 1834.58 107/87 2232.88 27/94 988.10 14/1/96	BAT inds 550 314 56 7004 14 30 394 PECEN 500 314 484 501 10 287 32
21 Construction(38)	1297.97 -0.1 1299.36 1300.17 1269.93 3,56 2,67 2,24 15.65 0.44 1144.31 1446.32 15/10/97 1194.01 27/97 2125.60 16/7/87 538.30 99/92 1851.21 -0.8 1865.34 1667.99 1855.23 4,51 3,80 1,83 14.02 0.46 885.18 1958.96 11/8/97 1851.21 16/1/86 2383.22 24/1/94 954.80 99/92	(1779) 000 4 317 47 247 317 00 Houseon 320 18 95 99 3 17 17
22 Building Made & Merchs(27) 23 Chamicais(26)	2461.49 -1.5 2467.83 2478.22 2320.97 4.23 3.66 1.55 17.88 0.08 1241.96 2790.40 12/937 2222.88 28/497 2790.40 12/937 978.50 14/1/86	(*1754) 1800 1216 1829; 188 589 1384 1839; (*2533+) 260 874 18 23 12 231; 231;
24 Dhersified Industrials(11)	1269.24 +0.1 1267.65 1249.66 1489.78 4.51 4.12 2.24 12.35 0.00 768.25 1596.75 11/3/97 1222.10 16/12/97 2231.57 2/2/94 964.80 21/1/86 2127.12 -22 2173.86 2176.65 2341.35 4.18 3.38 1.67 17.95 0.00 1161.30 2286.20 14/1/97 1862.80 97/97 2480.07 35/96 966.80 29/9/86	-100 AM B CH. At CO. 45. 45
25 Electronic & Elect Equip(27) 26 Engineering(63)	2127.12 -2.2 2178.86 2176.85 2341.35 4.18 3.38 1.67 17.95 0.00 1161.30 2366.20 14/197 1982.80 97/97 2480.07 346/96 966.80 29/9/86 2553.20 -2.6 2621.08 2663.93 2590.54 3,76 3.31 2.64 12.68 0.28 1625.70 3068.49 14/10/97 2389.99 97/87 3068.49 14/10/97 962.00 10/11/87	Books 800 41 77 85% 2% 23 38% Kinglisher 900 57% 85% 105% 19 47 54%
27 Engineering, Vahildes(71)	3370.06 -2.3 3447.96 3475.50 2982.56 2.90 2.45 0.0280.007 0.00 1838.39 3772.15 16/10/97 2874.73 477/97 3772.15 16/10/97 295.80 14/1/86 2077.96 -1.6 2111.07 2111.87 2582.86 4.83 4.05 1.95 13.00 0.48 823.24 2897.26 12/2/97 1874.23 10/7/97 3142.02 11/7/95 873.30 14/1/86	1000.1
28 Paper, Pckg & Printing(24) 30 CONSCINER SOCOS(99)	5199.47 +22 5088.19 5036.96 3764.79 2.91 2.53 1.82 23.67 0.18 2930.73 5199.47 16/1/98 3650.34 10/1/97 5199.47 16/1/98 967.50 14/1/86	("538%) 550 6 36% 49 14% 35 47 ("262%) 280 4% 15 26% 20 2 26%
32 Alcoholic Berurages(6)	3307.00 +0.2 3301.92 3297.08 2577.92 3.51 3.48 2.21 16.09 0.31 1274.10 3810.81 17/10/97 2576.22 15/1/97 3810.61 17/10/97 967.50 14/1/86	BP 800 23 68% 84% 7 37% 50% Ladbroke 260 19% 29 37 5% 14 19h
33 Food Producers(24)	3424.55 +1.0 3390.30 3374.74 2696.31 3.14 2.60 1.93 20.59 0.09 1639.28 3424.58 16/1/98 2637.24 67297 3424.56 16/1/98 946.10 14/1/86 3049.15 -0.5 3065.83 3030.67 2632.71 4.12 3.52 1.92 15.81 0.73 1268.32 3374.80 13/10/97 2695.42 7/1/87 3314.00 13/10/97 927.10 21/1/66	
35 Health Care(14)	2304.47 +0.1 2301.87 2274.81 2049.83 2-22 1.85 1.81 31.09 0.46 1458.65 2402.24 22/10/97 2019.82 10/1/97 2402.24 22/10/97 972.80 21/1/86	(*129) 130 2 10% 13% 3% 8 14 (*213) 230 5 14% 18% 11 17 21%
37 Pharmaceuticale(19) 38 Tobacco(3)	8882.94 +3.8 8561.83 8435.88 5761.50 210 1.76 1.70 35.13 0.03 3146.45 8882.94 16/1/98 5512.99 10/1/97 8882.94 16/1/98 953.78 13/1/96 4893.4 +0.8 4857.70 4828.06 4148.04 5.79 5.11 1.50 13.53 0.00 1337.19 5010.18 13/10/97 3896.45 10/1/97 5010.18 13/10/97 882.00 97/86	
40 SERVICES(279)	2629.56 +1.4 2688.01 2668.67 2662.41 2.67 2.32 1.93 22.60 2.16 1597.12 2637.33 13/10/97 2556.24 30/6/97 2637.33 13/10/97 944.90 23/1/86	Common Union 854 92 99% 119 3% 54% 63% Prodestical 750 63 90110%, 15 38% 50
41 Distributors(28)	2527.35 -0.6 2542.63 2521.46 2977.53 3.69 3.01 2.04 16.80 0.00 990.09 2982.91 23/1/97 2467.96 24/12/97 3319.33 2/2/94 988.50 21/1/88	[*897] 900 19 74% 94% 255 80 85% (*794s) 800 34 85 86 35 63 74%
42 Leisure & Hotele(27) 43 Media(42)	3556.83 +1.2 3517.27 3447.17 3348.57 2.70 2.16 2.16 21.44 16.84 1996.67 3636.30 11/3/97 3114.86 107/97 3636.38 11/3/97 976.40 21/1/86 4077.78 4016.14 4026.13 4242.19 2.54 2.10 1.92 25.73 0.00 1504.89 4456.06 16/10/97 3807.87 97/97 4624.36 21/10/96 978.20 97/86	(1567) 1800 25 182 1814 324 111 122 (727) 750 21 44% 84 39% 89 78
44 Retailers, Food(14)	2833-61 +1.6 2788.82 2759.82 2212.74 3.00 2.40 2.30 18.14 0.06 1906.43 2833.81 16/1/96 1911.85 11/2/97 2833.81 16/1/96 917.46 21/1/86	MARCOL 1200 07 (1714, 127) 27 (781) 160
45 Retailers, General(48) 48 Telecozastolications(10)	2281,55 +0.4 2272.86 2277.75 2078.99 3.18 2.55 2.21 17.73 2.82 1375.61 2439.83 13/10/97 1991.63 30/6/97 2439.63 13/10/97 879.10 9/12/98 2996.35 +4.0 2853,10 2805.31 2179.98 2.97 2.40 1.48 28.43 0.00 1440.43 2996.35 16/1/98 2076.76 27/97 2996.35 16/1/98 802.50 3/10/85	Halitaa. 750 48% 68% 87% - 21% 27 Rolls-Rouge 200 14 27 27 7 13 16
47 Braweries, Pubs & Rest (24)	3597.46 +0.9 3567.06 3524.67 3356.06 3.30 264 2.30 16.43 6.94 1821.19 3645.91 18/12/97 2873.92 26/10/97 3645.91 18/12/97 952.00 14/1/85 3780.77 +2.4 3692.90 3686.67 2847.17 1.53 1.25 2.31 36.47 0.00 2477.41 3788.77 16/1/98 2757.32 27/97 3780.77 16/1/98 939.00 1/2/91	(797%) 800 8 38 60% 10% 44 45% (*205%) 220 6 15 18% 17% 23% 27%
48 Support Services(E1) 49 Transport(25)	3780.77 +2.4 3692.90 3688.67 2847.17 1.53 1.25 2.31 35.47 0.00 2477.41 3788.77 16/1/98 2757.33 27/1/3 3780.77 18/1/88 999.00 1/2/91 2871.75 +0.4 2880.59 2863.29 2758.11 3.56 2.90 1.29 27.25 1.55 1286.74 3144.28 13/10/97 2848.06 27/1/7 3144.28 13/10/97 980.00 14/1/86	(*98394) 50 74 65 774 204 60+ 11 (*6900 300 207) 4814 5014 11 204 34
60 UTLINES(29)	3814.45 +2.1 3736.00 3654.03 2636.75 4.12 3.30 1.71 17.71 2.38 1797.02 3814.45 1671.98 2515.43 271.87 3814.48 1671.98 302.50 3710766	(*1038) 1050 104 55 71 224 484 684 Uto Biscouts 220 174 224; 27 2 95; 12
62 Bactriciny(9) 64 Gas Distribution(2)	4191.61 +2.3 4097.62 4044.52 2905.28 4.55 3.64 2.11 12.98	Maris 8 S 550 40th 63 74 - 13th 23 (225) 240 5 12 17 9th 19th 22 escape on 1 to 1
	3457.44 +1.8 3403.06 3351.91 2438.32 4.94 3.85 2.21 11.43 7.95 2098.56 3457.44 16/1/98 2229.87 2/1/97 3457.44 16/1/98 824.76 1/5/90	("5891%) 600 5 32% 48 14% 32 45 Option Rear Ann Sep Near Ann Sep Nagi Power 650 18 54% 67% 6% 31 48% BG 306 20% 48% - 8 15 -
(SI 1904 FINANCIALS(641)	2461.52 +0.9 2438.82 2419.26 2112.72 3.25 2.71 1.88 20.45 D.86 1961.20 2504.34 16/10/97 2063.57 107/87 2504.34 16/10/97 63.46 13/12/74	(1858%) 700 1 22 45 42 59 774 (1326) 330 17 274 344 18 25 294
70 FEMANCIALS(109) 71 Books, Retail(12)	4986.32 +3.0 4844.94 4783,70 3787.14 2.96 2.38 2.43 17.39 0.06 2274.85 5943.28 1/10/97 3438.42 27/97 5043.29 1/10/97 972.20 23/1/86 7281 86 +3.5 7035.34 8950.11 5498.10 2.88 2.30 2.53 17.16 0.00 2513.85 7873.71 1/10/97 4822.20 27/97 7873.71 1/10/97 950.60 23/1/86	Medifiest 1250 27% 78 107% 105 88 90 BSIny8 390 35 60% 59% 15% 25 29 1 (*1055%) 1700 9 57 85 50% 109 110 (*4.10) 420 20 35% 44% 30 40 43% (*
73 insurance(17)	225.64 +20 2211.44 2188.31 1723.14 3.92 3.23 2.77 11.50 0.20 1832.25 2259.85 2/1/98 1901.73 24/3/97 2259.95 8/1/98 870.90 25/9/92	Reuters 550 47 72% 85 - 15% 23 Brit Biotech 120 17 25% 31 10 18% 20
74 Life Assurance(8) 77 Other Financial(28)	6408.89 +3.1 6217.31 6175.55 4469.39 2.85 2.34 2.26 19.39 0.00 2821.55 6408.69 1611/86 4038.08 2/1/87 6408.69 1611/86 967.70 23/1/86 3836.83 +0.4 3820.89 3779.61 3034.81 2.70 2.20 2.24 20.66 0.26 2310.27 3880.45 6/1/86 29/2.48 2/1/87 3880.45 6/1/88 858.30 1/1/0/90	(*596'4) 500 8 41'4 55'4 10'4 55'4 45 (*128) 130 12'4 21'4 27 15'4 24 36 RoyalSun A 550 17'4 52 68 8 43'4 53'4 Candrica 90 19 22 25 1 3 4
79 Property(48)	2288.11 +1.5 2221.94 2213.60 1888.18 2.85 2.35 1.44 30.39 0.08 1465.81 2257.91 9/10/97 1754.81 2/1/97 2257.91 9/10/97 71848 1669/82	(*650) 700 1 32 44 41 73 82 (*107) 100 1114 15 18 34 65 74 Salemay 360 1014 30 3814 55 15 23 (*107)
89" INVESTMENT TRUSTS(119)	3429.56 +1.1 3333.35 3396.01 3237.21 225 1.80 1.17 47.52 2.83 1239.87 3642.86 7/1097 3095.53 2/1/97 3642.06 7/1097 997.20 14//86	(367) 390 1 17% 27 23 32 40 (500%) 550 11 25 34% 55% 63% 72
	2451.58 +1.4 2425.80 2406.42 2061.07 3.15 2.60 1.99 19.90 0.70 2204.73 2482.41 3/10/97 1986.78 2/1/97 2482.41 3/10/97 61.92 13/12/74 2458.48 +1.4 2433.34 2412.25 - 3.18 2.63 2.01 19.56 0.87 1137.32 2495.84 3/10/97 2172.42 4/6/97 2485.84 3/10/97 2172.42 4/6/97	Sansons an ea 212 an ea 52 525 325 Com at a ca 626 18 50 52
	1104.88 +3.1 1071.68 1060.68 - 0.71 0.57 2.51 67.56 0.00 1104.86 1104.86 1006.00 31/12/97 1104.88 18/1/98 1000.06 31/12/97	Shell Trans. 480 17 25 - (486) 42 31 34 1
FISE Fledgling	1281:04 +0.3 1276.69 1277.00 1282.90 3,48 2,80 1.42 25.26 0.71 1404.30 1346.52 13/3/97 1223.48 271/97 1778.30 2/2/94 31.14 12/12/94	[*414] 117 899 - 894 - Grammardia 250 80 889 188 229 159 479 1 Smill Bulmu 675 1894 8894 - 69 48 - (*978) 1800 31 699 81 429 90 779 1
	1308.34 +0.2 1305.17 1304.86 1305.57 3.87 3.11 1.47 22.04 0.81 1438.48 1368.81 1308.97 1229.97 68/87 1778.38 2/2/94 28.13 12/12/94	(1587) 700 714 474 73 1574 527: 66 GUS 700 6574 57 103 2014 3014 5
河芝 AN	977.9 -0.1 978.4 980.0 - 1.19 0.94 0.4580.00† 0.19 900.35 1138.0 24/2/97 965.9 28/10/97 1138.0 24/2/97 965.3 11/3/97	Star Covernet 500 2014 684 68 7 48 64 (*736) 750 38 81 77 42 534 62 (*757) 800 414 38 62 364 62 984 Lloyds TSB 800 54 784 874 47 58 72
	PRES 9.00 10.00 11.00 12.00 13.00 14.00 15.00 16.10 High/day Low/day	(*571) 800 4% 38 82 36% 65 96% Lloydsi758 300 54 76% 87% 47 58 72 Thanses Wir 900 27 55 86% 2% 26% 41 (*806) 850 32% 54 75 76% 65 99%
FTSE 100		(*923%) 950 2½ 40 55¼ 28 50¼ 55¼ Londho 80 8¼ 13½ 18 74 9 10
FTSE 250/		Vocatione 460 21% 48 85 4 22% 34% (782) 90 5 9% 11% 14 15% 16 g (*477%) 500 3 27 45% 25% 43% 55 Norwick U. 390 37% 45% 57% 10 20 27
FTSE 350		Woodwich 330 9 24 30 2 14% 19 (*415) 420 30% 29% 42% 22 34% 36
FTSP SmallCap FTSE All-Share	2440.29 2445.83 2447.04 2449.74 2451.60 2455.64 2455.62 2456.44 2466.63 2427.79	(336%) 360 % 11 17 20h 27% 35 Orange 260 22 22% 40h 9 15% 17
Time of FTSE 100 High: 4:09 P	Willow, 833 AM	Zeneca 2280 42 1489; 212 39; 112 148 (*2711/4) 200 129; 221; 389; 189; 25 27 [*278] 200 6 85 145 80 1669; 250 Relibrack 850 77%; 189; 139 32 47); 589; [**]
Time of FTSE All-Share High: 4	e e e e e e e e e e e e e e e e e e e	Option feb Many Assoy Feb Many Assoy (2892) 1888 5894 88 1854 55 71 152
Bes Equity section or group date	ie Base Base Base Base Base Base Base Bas	BTR 160 18 151 21 7% 16 30 Sout Power 50 40% 84 74 12% 22 31%
FTSE 100 31/12/8	3 1000:00 Electricity 31/12/90 1000:00 Fise Seculting & or ft 31/12/92 1363.79 Oil Exp & Frod Total Reto 31/12/93 1047.33	(*160) 180 3% 5% 5% 50 21% 30 32% (*5274) 59 28 38 52% 5% 66 56 6 56 6 6 6 6 6 6 6 6 6 6 6 6
FTSE 250 8 ex IT 31/12/8	15 1412.60 Wester 29/12/59 1000.00 FTSE Fledgling 30/12/54 1000.00 FTSE Fledgling Total Ret 30/12/54 1000.00	Blue Circle 200 34 62% 47% 2% 10% 15% Terment 100 6 8% 12 4% 7 7% 17329) 330 14% 25 31 12% 23% 25% (*100%) 110 2% 4% 8 11 13 13%
	15 682.94 Non-Firanciels 10,4/82 100.00 FTSE Redging et (1 30/12/94 1000.00 FTSE Redg et (1 total Ret 30/12/94 1000.00 FTSE AM-Shans 10/4/82 100.00 FTSE AM 31/12/95 1000.00 FTSE AM Total Reten 12/5/97 1000.00	Brit Aero 1500 121 1784- 221 284- 55 77 Torniums 300 2674 37 429- 6 111/1 157-
FISE 950 Higher Yeld - "31/12/8	5 682.94 FTSE All-Share ex.IT 12/5/87-2208.01 FTSE Total Return ledices 31/12/92 1000.00 FTSE 350 ex IT Total Return 12/5/87 1000.00	(*1597) 1688 674 (*276 171 514 98 1224 (*322) 330 1096 2896 1996 2495 30 Brit Telescond 515 3995 6 Uniterver 475 35 4596 - 12 23 - 1
FISE 358 Lower Yield 31/12/8	5 682.94 All Other : \$1/12/85 1000.00 FTSE Section Total Ret 31/12/93 1000.00 FTSE All-Skare on IT To Retu 12/5/97 1000.00	Brit Telecom 515 38% 6 Utilever 45 35 45% - 12 23 - 1 (°546%) 565 12 26 (°492%) 906 21 52% 44 25% 35 61%
Further information is available	CT TEIDE/NEW RISE.COM	Calbury Sch 700 24 45% 55% 23 43% 50% Underlying security price. Premiums shown
Concerns and The Financial Tir	998. All Flights reserved. "FT-SE" and "Footsle" are trade marks of the London Stock mes and are used by FTSE international under licence. † Sector P/E ratios greater than 80	(*701) 750 5% 25% 38% 55 74 60 are based on sendential prices. Energy Grp 550 40% 90 55% 4 6% 11% January 16 Total contracts, Equity and Index
and net covers greater than 30	are not shown. ‡ Values are negative. The calculation basis for the total return series was	(1684) 700 814 11 16 211/ 191/ 33 options: 45.961 Cells: 23,309 Puts: 22,552
	17/797. For Quarterly Review Changes see website were the accom. Deletions: Britton at Carlon (45) & (FTSE SmallCap); Nespeerd, Morris Ashby (FTSE TEXTEDNATIONAL V	

		On Friday			Over 5 days			
	Rises	Falls	Same	Rises	Falls	Same		
British Funds	2	75	1	102	282	Б		
Other Foed Interest	0	0	9	6	a	39		
Ameral Extraction	51	21	104	278	337	269		
Seneral Manufacturers	116	150	292	532	798	1,456		
Consumer Goods	79	52	171	354	377	777		
ervices	14D	127	314	694	730	1,485		
hines	35	ő	9	129	64	57		
inancials	148	56	191	600	479	901		
ivestment Trusts	320	37	259	1.223	719	1,134		
others	37	24	293	259	295	1,219		
cials	928	548	1,643	4.177	4.080	7.344		

Data tassed on those companies listed on the London Share Servica.

LON Issue price P	Amt	Mirt. cap (Em.)	199	7/98	Stock	Close price p	./-	Net div.		àrs P Ald⊥n	
	FP,		95		Abbey Not Dublin	n 83/3 ⁵		-	-		_
§140	FP.	34.6	20112	14812	TBCO Techs	1931		-	-	-	-
965	FΡ	974	90	68	Bond inti Silar	7112		₩-	-	- 1	9.9
§25	F.P.	1.42	3512	وتوح	†General Indis	3512		-	-	-	-
135	FΡ	5.20	1415	13317	†Longmead	14415		L5.01	29	43	99
5110	F.P.				Marchpole	10812	-1	R2.65	21	4.1	44
\$102	FP	23.2	100 2	1025	Rezorback Vince	1025		-	-	-	-
· 9			1071	9645	Second Scot Nati	1074	+14	-	-	- 1	2.5
Ş	F.P.	101.9	10112	991	Do Zaro Div Pri	10112		-	-	-	-
•	F.F.	5.31	11312	10312	Wynchem Mr	1031		u4.5	7.8	54	29
					Dinama amana a la		F	- 4-0			

lssue price	ITS OF Amount paid			7/98		Closing
Þ	up	date	High	Low	Stock	price p +or-
9	Nu	26/1	3рт	-}-pm	Calluna	1pm
on be	חוועוני					

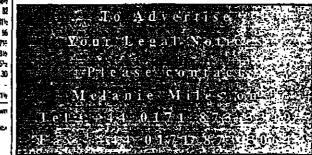
FT 30 INDEX Jan 16 Jan 15 Jan 14 Jan 13 Jan 12 Yr ago "High "Low

FT 30	2327.	0 3301.1	3268.9	3262.9	3283.9	2813.7	3430.3	2668.8		
Ord. drv. yiel	ď 3.3	7 3.40	3.44	3.44	3.38	4 12	4.22	3.29		
P/E ratio net	215	4 21.31	21.09	21.09	21.44	17.26	22.33	15 80		
P/E ratio nil	21.2	4 21.02	20.81	20 80	21.15	17 11	22.02	15 71		
FT 30 since compilators high 34392 1610/37; foir 49.4 26/96/40, Base Date 177/35										
FT 30 hourly	changes	1								
Open 9	10	11	12 1	13 14	1 15	16	High	Low		
3300.2 3316	9 3325 6	3323.6 3	379.0 35	18,6 332	1.9 3317	3 3327.	2 3334.7	3300.2		
		Jan 16	Jan 1	5 Jan	14 Ja	n 13	Jan 12	Yr ago		
SEAQ bergar	ns	75,277	56.63	9 52,	949 5	5,426	69,385	52,878		
Equity turney	er (£m)†	-	N.	A 214	7.7 23	387 E	2203.7	947.7		
Equity bargain	ns†	-	N	A 42.5	932 5	4,216	15,864	26,679		
Shares traded	-	N.	A 62	7.8	708.7	7156	350 3			
tEmbertum was a market and an extract framework has profession (feed supposes										

TRADEPOINT INVESTMENT EXCHANGE

Daily tumover for 16/01/1998 7,890,400 Value: \$27,362,906

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| Base | Further Indomestion is aveilable on http://www.ftse.com

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Dotterge and The Financial Times and are used by FTSE International under licence. † Sector P/E ratios greater than 50
and reat covers greater than 30 are not shown. † Values are negative. The calculation basis for the total return series was
all reat covers greater than 30 are not shown. † Values are negative. The calculation basis for the total return series was
all reat covers greater than 30 are not shown. † Values are negative. The calculation basis for the total return series was
all reat covers greater than 30 are not shown. † Values are negative. The calculation basis for the total return series was
clamaged fruin gross to not on 7/7/97. For Quarterly Review Changes see website www.ftse.com. Deletions Briton
(28), Manders (23) & gross to not on 7/7/97. For Quarterly Review Changes see website www.ftse.com. Deletions Briton
(28), Manders (23) & gross to not on 7/7/97. For Quarterly Review Changes see website www.ftse.com. Deletions Briton
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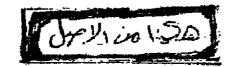
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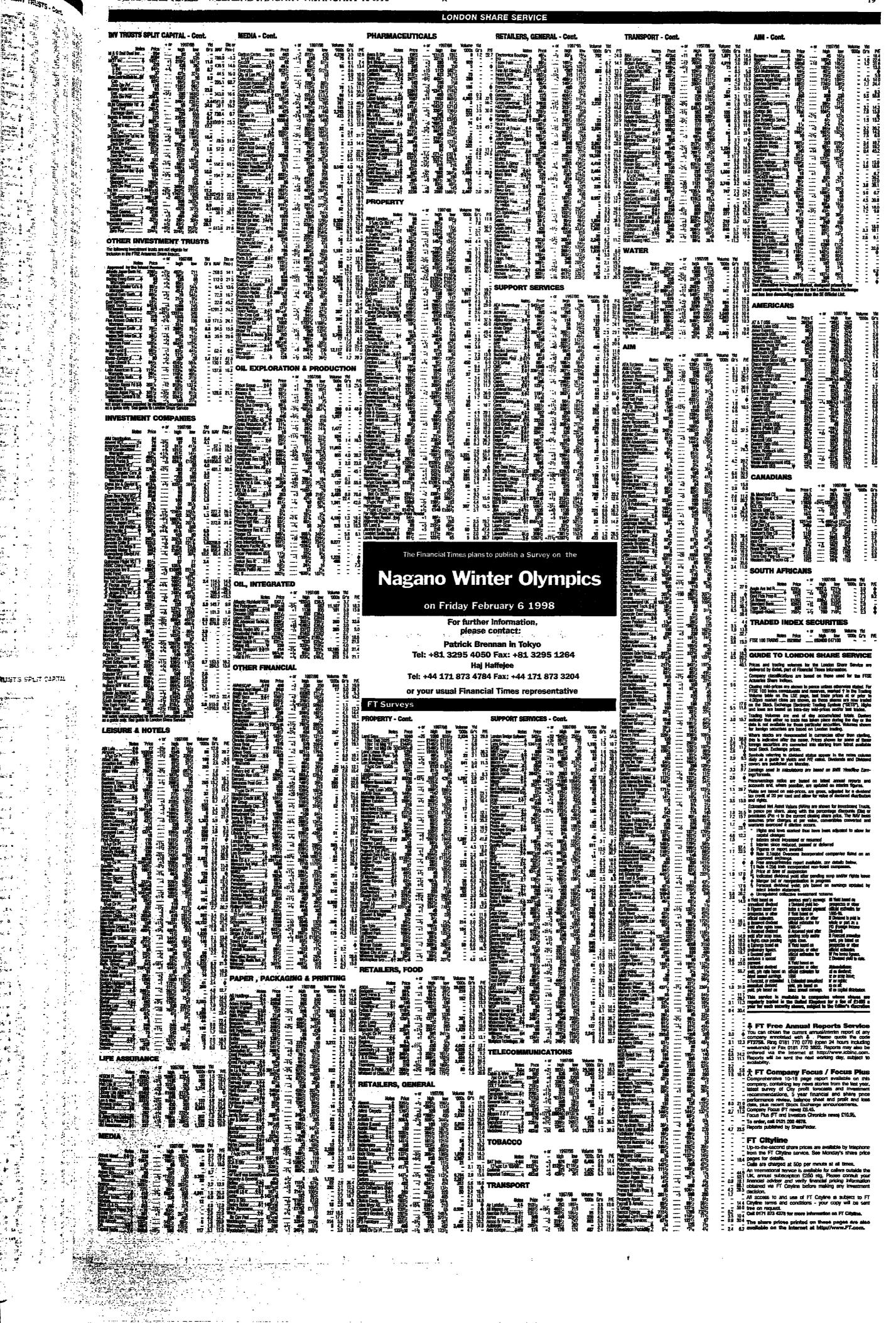
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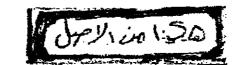
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no Paulo gains



WORLD STOCK MARKETS

Dow rebound Nikkei surges on hopes of government action takes market above 7,700

Wall Street took its cue from Asia with leading stocks showing strong gains at midsession, verites John Labate in New York.

The Dow Jones Industrial Average roared past 7,700 to stand 87.19 or 1.1 per cent higher at 7,778.96 by early afternoon as traders prepared for a long weekend.

In contrast, bond prices plunged in an abbreviated trading session. The US bond and stock markets will be closed on Monday for a public holiday. The broader Standard &

Poor's 500 index was also higher, up 12.97 to 963.70. The Nasdaq composite index was 16.01 higher at 1,563.07. Among Dow components, cyclical stocks rebounded from Thursday's selling, as International Paper gained \$1% at \$43% and DuPont rose

\$1% at \$5513. General Electric shares rose \$15 to \$74 after the completion of an acquisition by GE Capital. Sun Microsystems rose \$11 to \$44% after Paine-Webber and Merrill Lynch raised the stock's rating. Sun beat earnings expecta-

tions late on Thursday when

it released quarterly results.

But some stocks continued

Nordstrom plunged more than 7 per cent to \$45% after the company warned that fourth-quarter earnings were below analyst expectations. Micron Technology also lost more than 5 per cent to \$29% on comments by a Merrill Lynch analyst about the

under pressure. Retailer

stock's price level. US Treasury bond prices fell. The benchmark long bond was down 11 to 10411, yielding 5.792 per cent. TORONTO deftly side-

stepped a weak morning for the heavyweight banking sector to push ahead strongly in line with the early bounce on Wall Street The 300 composite index was up 44.79 at 6,371.80 at noon. Banks fell on interest rate fears, but broader-based leaders came in for solid buving while resource stocks bounced on the back of a better day for bullion.

Barrick Gold added 50 cents at C\$26.40 and Placer Dome 50 cents at C\$18.20. Among industrials, Alcan Aluminium surged C\$1.20 to C\$38.90. Canadian Pacific gained 50 cents to C\$35.00 and BCE 15 cents to C\$47.60. In banks, Royal Bank of Canada lost 60 cents to C\$74.15 and Bank of Montreal 45 cents to C\$57.75.

São Paulo gains ground

Latin American markets is backing off. There is no mostly tracked Wall Street's shortage of buyers," said one solid start, although Mexico broker. At midsession, the pared initial gains after a Bovespa index was up 246 or peso rally showed signs of 2.7 per cent at 9,386.
running out of steam. In MEXICO CITY dealers

bullion price lifted the sec-

SAO PAULO performed said volumes were dull and strongly through a morning the main problem had been of lively trade. There was the peso which fell back talk of early position-closing against the dollar. The IPC ahead of the long weekend index was up 16.48 or 0.4 per

Firm bullion lifts golds 6%

feature in Johannesburg golds index was 45.5 higher where a better day for the at 793.8. The all-share index added over trail itself. Paribas, tor by more than 6 per cent. 44.6 to 5,857.9 and industri-Vaal Reef rose R13 to- als put on 12.2 at 6,958.9.

ASIA PACIFIC

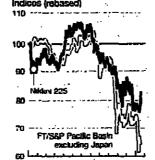
TOKYO stocks surged above 16,000 for the first time in nearly a month, buoyed by expectations that the Japanese government would to support the economy, writes Michiyo Nakamoto

The benchmark Nikkei Average rose 924.47, or over 6 per cent, to close at 16.046.45 in heavy trading. It was the first time since December 18 that the Nikkei closed up over 16,000, a psy chologically important level.

Growing indications that the government is leaning towards further economic sentiment. There have been a number of statements from government officials over the past few days suggesting the ruling Liberal Democratic party is considering bringing forward public works spending as well as allowing banks to revalue their property holdings.

The rise of the yen against the dollar yesterday also helped to draw buying from

Far East equities



foreigners. During the day, the Nikkei moved between a 16,062.54. Volume rose to a firm 700m shares against 409.48 on Wednesday. The market was closed on Thursday, a national holiday. The Topix Index, which covers all issues, rose 52.60

Attention was focused on banks, which would benefit from a revaluation of their

to 1,201,71.

the top ten most actively traded issues, Sakura Bank gained Y55 to Y408 while Fuji Bank rose Y70 to Y654. Industrial Bank of Japan climbed Y37 to Y891 and Mit-

suí Trust Bank Y48 to Y297. Blue-chip electrical issues were also favoured. Toshiba rose Y61 to Y585 and Hitachi Y53 to Y1,000. Steel issues regained lost

ground in heavy trading. Nippon Steel, the most actively traded issue. increased Y15 to Y165 while Sumitomo Metal Industries rose Y26 to Y180. JAKARTA jumped 6.9 per cent following government

pledges of budget cuts and trade deregulation as part of an IMF rescue agreement. Banking stocks and Telkom were the target of buying in very active trade. The composite index rose 26.68 to 413.92 in turnover of Ru716bn. The prospect of economic

reform sparked a resurgence of bank merger talk and the sector pushed strongly held at book value. Among surged Rp175 to Rp500 on would result in improved a bearish shadow.

Negara gained Rp75 to Rp550 rescue package. and Bank Dagang Rp25 to Rp300. Telecoms heavy- rally with a rise of 15.8 per weight Telkom rose Rp450 to Rp3.550.

BANGKOK shared fully in the upturn in sentiment across most of the Pacific

THE WEEK'S CHANGES Secul... Bangkol Kuala Lumpur. Tokyo...

Rim, adding 18.88 or 5.2 per cent to 383.01 on the SET index, However, turnover stayed modest at Bt3.1bn.

Brokers said foreign buying for the fourth day running had provided most of the upward momentum. There was also talk suggesting next week's Washington property holdings which are higher. Bank Internasional ministry and IMF officials

109m shares traded. Bank terms for Thailand's \$17.2bn

The banking sector led the cent. BEC World gained Bt16 to Bt210 and Bangkok Bank Bt10 to Bt68.50. SYDNEY rallied from early

losses as Tokyo and most other Asian markets pushed strongly higher. The All Ordinaries index closed up 29.5 or 1.1 per cent at 2,614.0. Golds were among the best performers with the sector gaining almost 3 per cent. Normany Mining jumped 8 cents or 5.7 per cent to A\$1.48. Retailers stayed firm. Coles Myer rose 6 cents to a record high of A\$7.85.

HONG KONG rallied strongly as bargain hunters returned, and the Hang Seng index closed 321.06 or 3.7 per cent higher at 8,900.04, off a

Turnover was on the low side at HK\$8.5bn, with investors still cautious on the outlook for interest rates. Fears that smaller companies faced debt financing problems later this year also cast

Among individual stocks Sino Land rebounded 14 cents to HK\$2.05 in heavy trade after Thursday's 45 per cent plunge. However, Sino Land's majority shareholder. Tsim Sha Tsui Properties, fell 85 cents to HK\$8.95.

China-linked stocks were under pressure as buyers feared a slowdown of the awaiting fresh incentives to buy. The China-Affiliated Corporations index lost 0.4 per cent and H-shares fell 2.5 per cent.

SEOUL declined for the first time this week after taking a rollercoaster ride on foreign buying and profittaking by local institutions. The composite index closed 17.88 or 3.5 per cent lower at 488.10, off a high of 532,43, The exchange reported foreign net buying reached Won152.6bn. the largest day's business since the beginning of the year, while

Korean institutions' net selling stood at Won177.8bn. 200m shares was the largest in the exchange's history.

Asian revival and solid Wall Street boost bourses

EUROPE

The better tone in Asia and solid start on Wall Street pushed PARIS up to within a whisker of its best of the day with the CAC 40 index gaining 43.34 to 2,976.09.

Volume stayed on the dull side although there was good buying among some of the recent slower performers. LMVH, Usinor and Thomson-CSF all surged more than 5 per cent.

LVMH, which has a heavy sales exposure to Hong Kong, rose FFr52 to FFr975 on the better turn of events across Asia, Usinor added FFr5 or 6.5 per cent to FFT81.90 and Thomson gained FFr10.70 to FFr194.

Paribas recovered from initial weakness following a French press report suggesting that any takeover had been made more difficult by the bank's recent purchase of the Cie Bancaire and Cetelem minorities.

Paribas could go on the takedown FFr5 at one stage,

Techs leader SGS Thompson continued to improve ahead of next week's results statement. The shares, which stood at FFr605 last August, added FFr3.40 to FFr360.9 for a net gain this week of 11 per cent.

Bouygues soared FFr43 to FF7816 on upgrades by Cheuvreux de Virieu and Société Générale. Bollore which, FISE Eurotop 300 according to market rumour. is eyeing control of part of Bouygues' activities, advanced Fr48 to FFr826.

FRANKFURT took its lead from the better showing in Asia and Wall Street's early gains and the Xetra Dax index climbed up through the 4,200 point level to close 76.02 better at 4,216.24. Deutsche Telekom recov-

ered from an early tumble to close 81 pfg firmer at DM32. Lower than expected 1997 results sent the shares down 4.5 per cent at the start. MILAN extended its

record-breaking run into a The report hinted that third straight session as dealers continued to report heavy flows of money into all-time high for a second equity mutual funds, boostsuccessive session, boosted ing hopes for further gains by futures expiries and an

FTSE Actuaries Share Indices National & Regional Markets 2.21 0.00 0.00 0.00 0.00 300 Ex-Eurobiac +1.13 +2.21 +1.45 +2.33 +2.31 +10.26 +22.07 +14.29 +25.25 +24.71

in shares. The Mibtel index upward revision of the marended 323 higher at 18,368, ket's weighting by JP Moroff a record intraday high of

Olivetti gained L111 or 7.7 per cent to LI,547 as inves- Pta4,285 on record volume of tors bought the shares ahead of its capital increase on the market's total business. Monday. Banking stocks Analysts attributed the were strongly back in activity to dividend-related favour, with Banca di Roma ending L148 higher at L2,448. MADRID finished at an

gan. The general index was

12.21 better at 674.11. Telefonica gained Pta90 to 30m shares, just under half trades.

ZURICH rose 2 per cent on the back of a firmer dollar and the SMI index closed 125.5 higher at 6.274.0.

up SFr145 at SFr14.395 as its report of an 18 per cent rise in 1997 sales was in line with expectations. Novartis. which is to report sales data next Thursday, benefited from switching out of Roche which took its shares up SFr86 to SFr2,401.

SAir Group fell SFree to SFr1.875 after SBC confirmed market rumours that it had cut its recommendation on the airline after its shares had achieved its price target. Nestlé put on SFr35 to SFr2,209 as Credit Suisse

First Boston raised its price target to SFr2.500 and reiterated a buy recommendation. AMSTERDAM strongly in good volume with investor sentiment buoyed by a broker upgrade for a leading bank and and a bullish report suggesting a

wave of share buybacks could shortly be in train. The AEX index ended up 16.29 at 938.05 after ABN Amro issued a survey showing that more than a third of Dutch companies are considering buying back equity as

a means of making "conser-

work more effectively in the interests of shareholders. KNP BT topped the day's rankings, rising Fl 2.40 or 5.5 per cent to Fl 46.20 as invesselections about which companies may make an early move to unveil plans for a share buyback. ABN gained 70 cents to

Fl 40.60 in volume of 22.4m shares after Merrill Lynch upgraded its intermediate rating from "neutral" to

STOCKHOLM finished almost I per cent higher after a see-saw day. The general index ended 27.31 better at 2.909.37. Ericsson rose SKr6.50 at SKr310 as indus-

almost all the ground lost in Thursday's fall, helped by a

Morgan, Jeffrey Brown, Jona-

<u> LONDON STOCK EXCHANGE - DEALINGS</u>

The data is delivered by Edel, part of Financial Times Information.

Details relate to those securities not included in the FT State Information Services. The prices are

those at which the business was done in the 24 hours up to 5.15pm on Thursday, they are not in order of execution but in accending order which denotes the day's highest and lowest trades. For those securities in which no business was recorded in Thursday's Official List, the latest recorded arous accuraces in which no businesses was recorded in transitivity strings. Each to been recorded business in the lour provious days is given with the relevant date. The size of individual deals are rounded to the nearest thousand and represented within parentheses, where available. If Burguins at special prices. * Bargains done the previous day.

Golds shares were the main R196 and at the close the

British Government Stocks
UK Treesury Sarlo 07.Jun1996Cpn - 97.244594 (14.Jag8)
UK Tressury Sario (17Dec1996Cpn - 93,938192 (14Je98)
UK Treesury Strip 07.lum1999Cpn - 90.99651 (14.lu98)
UK Tressury Strip 07/Dec1999Cpn - 98.156062 (14Ja98)
UK Treasury Strip 07 Jun2000Cpn - 85 470859 (14 Japa)
UK Treasury Step 07Dec2000Cpn - 82.84088 (14.1298)
LRC Treasury Strin 07. km2001Con •
80.394617 (14.698) UK Treasury Sarjo 07Dec2001Cpn - 78.06413 (14.698)
UK Treasury (Sarjo 07Jun2002Cpn - 75.84468 (14.ta98)
UK Traesury Strip 7% 07Jun2002Principal - 76.15
UK Treesury Strlp 07Dec2002Cpm -
73,674321 (14,1696) UK Tessury Strip 07,1un2003Cpn - 71,586717 (14,1698)
UK Treasury Saio 070ec2009Cpn -
Tressury 6*2% Set 2003 - 101**** **** ************************
UK Treasury Strp 07.Jun2004Cpn - 67.637901 (14.Je98)
41.601641 [15/0000]

67.587907 | 14.8890 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 10.1 | 1

Corporation and County Stocks SICOCKS
Dudey Metappolitan Burough Courted 7% Lin
Six 2018 - 103% (Bolassia)
Kemianjoon & Chatesas (Roylel Burough)
11.15% Red Six 2006 - 125 (13.698)
11.15% Red Six 2006 - 125 (13.698)
11.15% Red Six 2006 - 125 (13.698)
11.60% (Chate)
11.60% (Ch

Coupons Payable in London

BOS USTRAIS E (1987) [3011 - 10-35] (1980-50) BAS PLC 5746 CM 865 2006 - 1057 8.05 % (13.18-96) Bright Almanys PLC 10746 Bds 15/06/06 £ (1401) [87] - 129 (13.18-96) Bright Almanys PLC 575% CM 80s 2007 £ (1401) [87] - 2116 [108.18-96] Compass Group PLC 5.75% CM 80s 2007 £ (1401) [91] - 2105 [88.18-96] Compass Group PLC 5.75% CM 80s 2007 £ (1401) - 112½ (13.18-96) European Investment Burk 87% 80s 25/89/17 £ May (87) - 126.87890625 (08.18-96) Heilitzt PLC Cell Filip Rite Nas 02/2003 £ (1407) (87) - 1021 (12.18-96) Heilitzt PLC 676% Nas 15/12/99 £ (1407) [87] - 102.1 (108.18-96) Livuts Bark PLC 10748 Sub La Sik 2008 - 122 % (03.18-96) Autional Weishmister Bark PLC 11748, Lind Sub Mix (Com to PM) (87) - 1446, Lind Sub Mix (Com to PM) (87) - 140 (14.46-96)

128'9 (09Jue96) etitorial Westminister Bank PLC 11'9%, Und Sub NB: (Criv to Pri) (Br) • 140 (14/kg96) etitorial Westminister Bank PLC 11'9%, Und Sub NB: \$1000 (Criv to Pri) - 138's

Sub Nas \$1,000 (Cnw to Pri) - 138*\((1.4.)\) (1.4.)\) (1.4.)\) (2.1)\) (1.4.)\) (2.1)\) (1.4.)\) (2.1)\) (2.1)\) (2.1)\) (2.1)\) (2.1)\) (2.1)\) (2.1)\) (2.1)\) (2.1)\) (2.1)\) (2.1)\) (2.1)\) (2.1)\) (2.1)\) (2.1)\) (2.1)\) (3.1) Debt Issuance

Programmes
Alcasel Alsthom SA Zero Cpn Nis 193/2000
DEM - DMSB.3 (09.led8)
Bractiond & Bingley Butting Society Coli Fitg
Rise Nis 02/2003 1: (Reg) - 538 %
(12.les8) Sterling Issues by

Overseas Borrowers OVERSEAS DOPTOWERS
Demmah (Brigdom of) 13% Ln Sk 2005 139 (13,b95)
European Investment Bank 9 % Ln Sk 2005 137% (10,buse)
transational Bank for Rec 2 Oer 11.5% Ln Sk 2005 128% (13,buse)
Petroleos Mexicance 14 % Ln Sk 2006 128% (13,buse)

Listed Companies (excluding investment

Awon Napoler PLC 43% Curn Prt 17 - 89 (12),898)

8AA PLC ADR (11) - 7.87 (14),898)

8ailey (C.H.) PLC Ord 180 - 6% 5 3 13),898 (14),898 (16),898 (16),998 (1

Foreign Stocks, Bonds etc-

(CSJASE)

GSJASE)

Braction & Bingley Building Society 11⁵/5,
Perm int Bearing Sts £10000 - 1569(144638) 7-5 (144638)

Braction & Bingley Building Society 13*2,
Perm int Bearing Sts - 177 (084658)
Breth International PLC 9-56 Cum Red Pri £1114 (144698)

Broton PLC 6-56/5, Uns Ln Sts 2002/07 - 99

(124698)

Broton Rd West PLC Pri £1 - 134's (144698) 5-

Process P.C. 69% Units Lin Six 2002/07 - 99
(12.1698)
Statist & West P.C. Pri 21 - 134% (14.1698) %
(14.1698) % (14.1698) % (14.1698) %
(14.1698) % (14.1698) % (14.1698) %
(14.1698) % (14.1698) % (14.1698) %
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(14.1698) % (14.1698) \$ (14.1698) %
(14.1698) % (14.1698) \$ (14.1698) %
(14.1698) % (14.1698) \$ (14.1698) % SR 2005 - 129 (1908) 587 Petrologic Medicano 1 14-25. Ln Sk 2006 - 125° (12-126) 7 Petrologic (Petrologic of) 9% Ln Sk 2016 (Reg) - 127-185 . 195 (10-126) 7 Seadon (Ringdom of) 64% Ln Sk 2014 (Reg) - 135.7886625 (14-126) 7 Hriddad S. Ribago (Regulatio of) 12°65. Ln Sk 2009 (Reg) - 124 (14-126) 5 (14,836) 5 (14,836) 5 (14,836)**
[14,836] Bristof & West PLC 13*6* Uns Perp Sub Bos 173 (14,836) 9 (14,836) Part 137*
Estatum Bukcing Society 13% Perm by Searing Sha 21000 - 176 (14,836) 7*
[14,836] British American PLC ADR (10,1) - 92,625,75

Brish Parroleum Co PLC PS, Cum Ist Polythans (1914-190) - 178 (14.189) 7'2 (14.189) 7'2 (14.189) 7'3 (14.189) 7'3 (14.189) 7'3 (14.189) 8'3 (14.189) (excluding investment
Trusts)

Aboy National PLC 10%s Non-Curt Stip Pri
Shs St. - 144% (14.685) % (14.685)
Aboy National PLC 54% Non-Curt Stip Pri
St. 5t. - 144% (14.685) % (14.685)
Abordeen Asset Memogeneri PLC 144%s to
- Sub for Ont - 58 (13.686)
ABF Investments 54% this Ln Six 87/2002
500 - 46 (12.686)
ABF Investments 74% this Ln Six 87/2002
500 - 50 (14.685)
Adecime Group PLC 7.8% (Not) Ser 2*Cmv
Pri Shs St - 100 (14.686)
Aggregate Industries PLC 85% Curt Pri St
- 62 (14.686)
Aggregate Industries PLC (12.59 Curt Red
Pri 2005 10p - 127% (12.686)
Aggregate Industries PLC 7.256 (Net) Cmv
- Curt Red Pri 250 - 99 (09.686)
Alexon Group PLC 4256 (Net) Cmv Curt Red
Pri 10p - 94 (14.686)
Alexon Group PLC 6256 (Net) Cmv Curt Red
Cav Sub Bds 7/7/08 S1000 (Reg) - 100%
1% (12.686)
Aliced Domeon PLC 95%; Deb Six 2019
184% (14.686)
Aliced Domeon PLC 95%; Deb Six 2019
144% (13.686)
Aliced Domeon PLC 1106 Deb Six 2009
144% (13.686)
Aliced Domeon PLC 11106 Deb Six 2009
144% (13.686) 141% (13.le35)
Alvis PLC 5.0% Cnv Cum Non-Vity Red Prf 21
- 50% 1 (13.le35)
Anthres Sylvas Group PLC Cnv Cum Prf 50p
- 181
Anglian Wester PCC Wis to Sub-for Ond - 400
(26)

(Mutato) Brackhampton Hidgs PLC Ord 10p - 188 (08498) Brackhampton Hidgs PLC 'A'Non-V Ord 16p -92 6 8 (13498)

(USASES)
Punel Hotdings PLC 4.5p (Net) Criv Cum
Red Pri 20p - 54 (12.658)
BSM Group PLC Ord 10p - 168 (1)
BTR PLC ADR (4:1) - 112 (14.658)
Budgers PLC 5% Criv Uns Lri 5% 2003 - 32
(13.1658) (14,958) % (14,959) Amitispe Brise PLC Ord 10p - 197 (14,958) Aside Property Hildes PLC 9,125% 151 Mitg Deb Six 2020 - 125% (05,958) Associated Briseh Engineering PLC 8% Cum Red Prl Ct - 100 (12,458) Automative Products PLC 9% Cum Prl St -Automotive Products PLC 9% Cum Pri St 100 (12.lags) Avon Rubber PLC 4.9% Cum Pri St - 89

Budgers PLC 5% Crw Uns Ln Six 2003 - 92
(13Ja58)
Bulger PLC Ord 5p - 95 [14Ja58]
Bulger PLC Ord 5p - 95 [14Ja58]
Bulger (H.P.) Hidgs PLC 64% 2nd Cum Pri
E1 - 127% 8 [12Ja59]
Burneth Castrol PLC ADR (21) - 32.52
[14Ja59]
Burneth Castrol PLC 74% Cum Red Pri E1 90 [14Ja59] 90 [14Ja59]
Burneth Croup PLC 5% Line In Six 96/2001 98 [14Ja59] 92 [14Ja59] 3 [14Ja59] 7 [14Ja59] 8
[14Ja59] 3 [14Ja59] 3 [14Ja59] 7 [14Ja59]
E2W Endowment Fund Rud Ord 1p - 163
[14Ja59] 8 [14Ja59] 3 [14Ja59] 7 [14Ja59]
E2W Endowment Fund Rud Ord Redsemable
Sht Si p - 117 [14Ja59] 20 [14Ja59]
Cable AND Wireless Comms PLC ADR (5:1) 21.5 21.3 Cadbury Schweppes PLC ADR (4:1) - 41.4 (14Ja96) .875 (3) 2.4 (14Ja96) 4.3476795 (28)

CS-Upscame Bank PLL 9.2-7- NOR-Lim Pri S1 - 144's [144:98] 1-5175 (144:98) 5.575 (144:98) 1-5175 (144:98) 5.575 (144:98) 1-5175 (144:98) 1-5175 (144:98) 1-5175 (194:98) 1-517

200601/ 2010 PLC Non Vig Ord Sp - 365 (12.999)
Dea Veiley Group PLC Non Vig Ord Sp - 365 (12.999)
Denvert Veiley Hidgs PLC 10V/s. 1st Mig Deb St. 2019 - 133.3289125 (14.898)
1 (14.898) 4 (14.898) 4 (14.898)
Denvert SPLC Drd 10p - 55 (13.898)
Denvert SPLC Drd 10p - 55 (13.898)
Despe PLC ADR (41) - 37.74874 (2) .75 (14.898) .75 (1

(12,459) BMAP PLC 5% Cum Pri 51 - 58 (13,1658) (12,4889)
BMAP PLC 5% Cum Prt St - 58 (13,488)
Bmass PLC 6,25p (Net) Cnv Cum Prt St - 67 (14,488) 7 (14,488) 8

Estates Properly Investment Co Ld 10% Seed Ln Six 93/98 - 96 (12Ja96)

(08Ja98) Section: PLC 10% Criv Red Pri Sha 21 -

(ISLASS)
Feedback PLC 10% Crw Rad Pri Shs £1 140 (13Ja56)
FL Group PLC New Ord 50 (FP/PAL 1901/88) - 1008 (68Ja56)
Fust National Building Society 114% Perm Int.
Bearing Shs £10000 - 158% (13Ja56)
Folless Group PLC Ord 59 - 64 (14Ja56)
Folless Group PLC Ord 59 - 64 (14Ja56)
Frendly Hotels PLC 44% Crw Cum Rad Pri £1 - 55 (14Ja56)
Frendly Hotels PLC 5% Crw Cum Rad Pri £1 - 96 7 (68Ja56)
Frendly Hotels PLC 5% Crw Cum Rad Pri £1 - 96 (16Ja56)
Frendly Hotels PLC 11 6% 1st Map Deb Six 2015 £1 - 133,756875 (12Ja56)
Frendly Hotels PLC 11 6% 1st Map Deb Six 2015 £1 - 133,756875 (12Ja56)
Fanding for Homes Lift (16% Oeb Six 2016 133,35 (14Ja56) .65 (14Ja56)
Galakher Group PLC ARR (4:11 - 23 (25),085 (13),109 (15), 17 (19), 1875 (33, 13)
292599 (86) 5 (7, 16, 10) * 525 (63), 845 (0)

14/16/14/16/16 | 14/14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14/16/16 | 14

107 (14,1696) IMI PLC 51-76, Uns Ln Six 2007/06 - 92%

MI PLC 3 7% UTD bit land and 124 (12):695)
(12):695)
Impetal Crismical industries PLC ADR (4:1) B: 81127 (30) *2.975 (5) .75 (1, 5)
Inchespe PLC 694s Cav Subord Bds 18/508
(1000 (Rg) - 87 (14):695) 7 (14):695)
7 (14):698) 1/4 Lists | Tay | (14Ja98) 100% (14Ja98) Kvasmer PLC 7% Uns Deb Sik \$1 - 87% (09,1698) yperner PLC 8% Line Lin St. 9499 - 95 (13,1698) omer PLC 91-74 Uns Ln Sit 2000/05 - 103 (08.1289) Ladbroke Group PLC ADR (1:1) - \$4.46 (14.1289) Land Securities PLC 7% Criv Eds 30/9/2008 E1000 (Rg) - 161 4 (14.1298)

(06,la58)
Leeds & Holbeck Building Society 13*A%
Perm Int Bearing Shs - 183*x (14,la58) 4
(14,la58) \$7.44,la58) \$7.44,la58) 4
(14,la58) \$7.44,la58) \$7.44,la58)
Legal & General Group PLC 8*A% Chrv
Subord Bots 304408 \$1000 (Rg) - 248
(14,la58)
Lewis (John) Partnership PLC 5*A Cum Pri
Sti £1 - 68 (12,la58)
Lewis (John) Partnership PLC 7*M Cum Pri
Sti £1 - 93 (12,la58)
Lewis (John) Partnership PLC 7*M Cum Pri
Sti £1 - 93 (12,la58)
Lex Serves PLC 6*X Cum Pri £1 - 76
(09,la58)
Lex Serves PLC 6*X Cum Pri £1 - 76
(09,la58)

Lex Servey PLC 6V% Curn Pri 1: 76
((8)288)
Liberry International Hidgs PLC 5V%, Sub Criv
Bds 30M/2009 21 (Regot) - 99 ((8)289)
London Flancro & Investment Grip PLC Wis
is Sub for Ord - 12 (13)289)
London Flancro & Investment Grip PLC Wis
is Sub for Ord - 12 (13)289)
London Flath House PLC 10V% 1st Mitg Deb
Sit 200005 - 106 ((8)289)
London PLC ADR ((11) - 127 (14)289)
London PLC ADR ((11) - 32,625 . 91
(14)289) 35 ((14)289) 35 ((4)289)
Merchant Si (14)289 35 ((4)289)
Merchant Si (14)289
MEPC PLC 8W Uns Ln Sit 2002 - 141 %
((8)289)
MEPC PLC 10V% Uns Ln Sit 2032 - 141 %
((8)289)
Merchant Retail Group PLC 9W Uns Ln Sit
99/2004 - 97 8 (13)289)
Merchant Retail Group PLC 9W Uns Ln Sit
99/2004 - 97 8 (13)289)
Merchant Retail Group PLC 9W Curn Red
Pri (1 - 30 (15)289)
Muchov M. & J.) Group PLC 7% Curn Pri C1
- 78 (13)289)

| The color of the

(12.185)
South Ambie Investment Fund Lif Ond She
\$0.01 - 9 (08.198)
Saville Gordon (J.) Group P.C. 74% 1st Mig
Deb Sh: 2023 - 105% (12.1859)
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vative financial structures" Scholl PLC 874% Cum Red Pri 2001/05 £1 -111% 3 (13.Le95) Scottish & Newcastle PLC 6.425% (Net) Cum Pri E1 • 113 (14.Le35) Scottish Media Group PLC 6.50% Crw Uns Ln Sia 2007 • 102 55 3 (13.Le35) Scottish Mempolitan Property PLC 10 V% 1st May Deb Sh 2016 • 134 (13.Le35) Sears PLC 4.9% (tmly 7%) *ACum Pri E1 • 86 (13.Le35)

Sears PLC 4.9% (tmly 7%) "ACum Pri 51 - 86 (13Ja98) Sears PLC 8.75% (tmly 12.5%) Cum Pri 51 - 86 (13Ja98) Sears PLC 8.75% (tmly 12.5%) Cum Pri 51 - 112 (12Ja98) Sedgmed, Group PLC 7%% Cnv Bds 37/5/2008 95000 (Pop) - 1011* (108Ja98) Severn Rever Crossing PLC 6% Index-Linked Deb Sta 2012 - 140% (13Ja98) Severn Trent PLC 65 Sins 359 - 31 (2, 1) 1 (14Ja98) 1 (14Ja9

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Ln Sk 552000 - 136 (14.1a89)
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try sources said the mobile phone group would unveil a SKr3bn Chinese order on Monday. WARSAW recovered

surge in brewer Okicim. The Wig index closed 68.9, or 5.1 per cent, higher at 1,420.1. Written and edited by Michael

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- 2*1(12.1898)
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Bankers fin *18 PLC 8*6 Deb Std. 2023 - 116
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Foreign & Call Inv 1st PLC New Ord 250 - 531/14.1489)
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Foreign Extra Inv 1st PLC Units (Comp. 1 Ord 250 & 1 250 0 Prl) - 245 (11.4488)
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Alternative Investment <u>Market</u>

Market
Bord International Soliware PLC Ord 1p - 67
(13Ja98)
Fartable Group PLC Ord 21 - 210 (13Ja98)
Heartities Brewery PLC Ord 5p - 310
(14Ja98)
Heartities Brewery PLC 'Afum Vig Ord 5p - 250 (14Ja98)
Heartities Brewery PLC Wis to Sub for Ord 23 (14Ja98)
Ormological PLC Ord 1p - 1 125 (14Ja98)
Sira Business Services PLC Wis to Sub for Ord - 1 (05Ja99)

COMPANIES AND FINANCE

premium to the market.

Schroders said the shares

were worth 157p on the com-

pany's forecast. It urged

investors to reject Hercules'

Allied Colloids also said

plants would produce a sig-

nificant increase in capacity

company would have the

potential to increase sales by

£25m in 1999, rising to £82m

defence was strong enough

to prompt a higher offer

from Hercules. The £74m

pre-tax profits forecast for

range of brokers' expecta-

tions but some increased

their forecast for the follow-

would be regarded as valid

Mr Schepers is listed as

"This correspondence has

the chairman of CPF in the

Hemmington Scott Company

uation of several group com-

inter-relationship between

group banking and other

business relations in the

light of these difficulties has

caused the board to conclude

that increased liquidity must

be sought as a matter of

urgency. The directors of

CPF are discussing these

matters with their principal

bankers but there is no cer-

The company has called

an extraordinary meeting for

February 6 to approve

restructuring proposals.

tainty of success

Analysts said that the

by 2003.

CPF in talks with

banks after dispute

by a future board.

cash offer of 155p a share.

Analysts say defence may be strong enough to elicit higher offer from Hercules

Colloids outlines growth strategy



David Farrar: has completed 'process of change'

By Roger Taylor

Allied Colloids, the UK chemicals group, yesterday hit back at the £1.1bn hostile bid from Delaware-based Hercules by forecasting strong profits growth this year and outlining strategies to drive further increases in the future. that measures to improve Allied Colloids said that productivity at existing

profits to March 1998 would rise 36 per cent to £74m and identified a further £11.5m over the next five years. The saving for the following year, which on a pro-forma basis would lift profits to £84m before allowing for David Farrar chief execu-

tive, said the company had completed a "process of change" since he became chief executive in 1995 and He added that the bid had 'brought home to everyone" the need to change. Schroders, advising Allied

By Norma Cohen,

Compagnie de Participations

Financières (Luxembourg).

the Aim-listed company

which invests in European

property, yesterday said it

was having funding difficul-

ties and was holding urgent

talks with its bankers with

Its shares fell by 190p, or

40 per cent, to 307 p. Direc-

tors could not be reached for

The Luxembourg-based

company said the difficulties

stemmed largely from a dis-

pute with a shareholder, the

Nurnberg Company, as

trustee for a charity, the

Nurnberg Trust. According

to a statement from CPF.

Stefan Schepers, the trust's

representative, had written

to the company's bankers

no certainty of success

comment yesterday.

Colloids, said that the company could point to two whether the £11.5m of closing date.

years of rising profits and savings could be converted deserved to be valued at a into additional profit. However, he raised his estimated in London Even on a market rating. fair value bid price to 180p. The shares closed up 2 p at 169 ip yesterday. Hercules described Allied

Colloids statements as "predictable and uninspiring adding that the cost savings identified by the company would be lost to price competition.

"An effective, ongoing cost improvement programme is necessary merely to keep pace with the rest of the industry and combat future margin erosion," it said.

Hercules also pointed out that \$4.8m of the \$11.5m savings came in the form of raw material costs savings, which could benefit competitors as much as Allied

Hercules has extended its offer until January 23 and had received acceptances for Andrew Stott of Barclays 0.96 per cent of Allied Col-

Thornton Luxembourg, the

company's auditors, have

resigned, saving they are

only prepared to work with

the support of its bankers

posals were approved, "con-

tinuity of group companies

is day to day, and depends

sales, which continue to be

anticipated." Two directors,

Mr GJ Wilson and Mr

A McGivern, have tendered

their resignations with effect

from December 31 1997. The

company said this was done

company's Aim-nominated

adviser, has not received

copies of the refinancing

plan. The plan was prepared

Neill Clerk Capital, the

to reduce costs.

CPF said that unless it had

the existing board.

signed by current directors appoint new directors. Grant

significantly affected the sit- and the restructuring pro-

Argos warning after drop in **Christmas sales**

By Peggy Hollinger

Argos shares fell more than 12 per cent yesterday as the issued its third profits warning in just over a year and revealed a drop in sales over the crucial Christmas period.

The company's shares tumbled 63p to 442p. It marks the lowest level in more than two years for the former stock market darling. Analysts said the trading statement, which came at the end of a grim week for UK retailers, was far worse

than expected. "It shows a 1.5 per cent fall in sales in the run-up to Christmas which is against a very weak base," said one analyst. Argos shares tumbled 15 per cent in January

Analysts' 1997 profit expectations were cut by some £13m (\$21.2m) to about £132m, before the £7m provision announced yesterday to Stewart said the group had cover cost-cutting measures. with 1998 forecasts pulled back from about \$160m to £140m. Some said the statement raised questions about the manner in which Argos

"It is a very inflexible modus operandi," said one. They have to fix the cataers and set the product mas.

By Robert Wright

A bitter battle over the

board composition of Rich-

ards the Aberdeen-based

textiles manufacturer, ended

yesterday with victory for

dissident shareholders at an

M&G and Invesco, which

hold 28.8 per cent, called the

EGM because they were

unhappy with the performance of the company,

which has made pre-tax

losses in each of the past six

The dissidents, advised by Rutherford Manson Dowds,

an accountancy firm, wished

to remove Ray Dinsdale,

chief executive, Brian Gil-

bert, chairman, and Fred

They proposed lan Lakin,

a business consultant, as

chairman, David Staveley, a

former manager of divisions with Coats Viyella, as chief

executive, and Graham

Sharp, a corporate financier,

The company said yester-

day that the three targeted

directors had resigned "bay-

ing regard to the wishes of

up their posts immediately.

Farringdon Point

Compco. the property

investment and development

company, has sold its free-

hold interest in Farringdon

Point, London, to Scottish

Life Assurance for £4m, a

net profit of £1.3m. The

building produces an annual

Compco sells

The new directors took

non-executive

Dalgarno, a director.

director.

financial years.

extraordinary meeting.

Dissidents win

Richards battle

Bob Stewart, Argos finance director, rejected suggestions that the compahigh street catalogue retailer ny's methods of retailing were unwieldy or outdated. However, he accepted that Argos would have to make improvements to customer service. The group was trialing a home shopping operation which, if successful, would start in all stores next year at a cost of £12m-£14m.

Mr Stewart defended Argos's performance, which showed sales for the year to December 27 ahead by 9.5 per cent. Comparable sales

were 3 per cent ahead. However, sales in the third quarter had been flat on last year, and 1.5 per cent lower on a comparable basis in the five weeks to December 27. last year when it first largely because of a 5 per warned of a sharp slowdown cent decline in three core product areas - toys jewellery and small electricals. These ranges account for 50 per cent of sales in the run-up to Christmas. But Mr held or improved market share in all but the toy sector, while all markets had been weak overall.

There was also some evidence that consumers were deferring purchases until after Christmas, said Mr Stewart. Like-for-like sales were 11 per cent ahead in logue ahead of other retail- the two weeks after Christ-

said some weeks ago in a

letter to shareholders that

they had been promised an

The dissidents also wished

almost unbeatable 46.3 per

to consider redevelopment of

Richards' main Aberdeen

factory, an option the exist-

building of a new factory

would be more expensive

than staying put, the board

The argument became par-

ticularly unpleasant after

the targeted board members

claimed in a letter to share-

holders that Mr Staveley's

cent of the shares.

listed building.

had said.

and suppliers informing accept the resignations of by the directors without refthem that no instructions the existing directors and to erence to Neill Clerk it said. Sidir set to take control of former parent Pentex

Sibir Energy, the Aim-listed oil group, is in talks about taking over Pentex Energy, its former parent.

The discussions started after a fall in the price of crude oil forced Pentex to abandon an agreement with Enron, one of the world's largest integrated natural gas and electricity groups. Pentex, which has a 40 per

cent stake in Sibir, agreed in November to sell a third of its UK oil production to Enron for the next eight years. But the price of crude oil has since dropped by The company did not almost 20 per cent, and Penreveal the precise voting figtex has been advised to ures, but the dissidents had

merge with Sibir instead. A takeover by Sibir would be an all-paper deal, Henry Cameron, chief executive of Pentex and Sibir, said yesterday. "It would be our bope to a placing and open offer.

soon, in days rather than its deal with Enron it disweeks," he added.

Mr Cameron would remain

chief executive of the enlarged company. Pentex set up Sibir in 1996 and the two companies still share some management facilities. its entitlement to the Sibir Sibir, which is capitalised at offer. £157m, is worth more than its former parent. Mr Cam- that after a great deal of eron said yesterday that Sibir was Pentex's "most

valuable asset". Sibir said its future was "transformed" when it an 11 per cent stake in Penincreased its holding in tex and said it would provide Ugranest, a company that owns oil fields, to 31 per cent tex had also planned to issue late last year. The purchase enabled Sibir to accelerate that, since the deal with its strategy of developing large fields in western Siberia. Sibir said at the time it would raise £45.4m to fund the acquisition through

through a rights issue. Yesterday, the company said it would enlarge that rights issue to raise £7.67m. Pentex said this would let it take up "It is really disappointing

closed a plan to raise £5.4m

work with Enron, external factors meant we could not proceed," Mr Cameron said. Enron had agreed to buy up to £70m of financing. Pen-

warrants, but said yesterday

Enron had been abandoned, the warrants issue would also be withdrawn. Sibir shares closed up 21/2p to 44p, and Pentex shares

Glynwed hit by fears of ing management considered impracticable because it is a manufacturing slowdown Redevelopment and the

By Richard Wolffe

Forecasts of a slowing in UK manufacturing led to a profits downgrade for Glynwed International yesterday despite the engineering group's sale of a further three businesses in its

CV was misleading. It cast doubt on the accuracy of figures given for per-formance of Coats Viyella in attempt at repositioning.
The shares fell 13%p to 240p after Glynwed's forecast Australia under his management, and of a sportswear profits for next year were manufacturer where he was downgraded by broker ABN Amro Hoare Govett. Colin Campbell, engineer

chief executive. The dissidents angrily denied the claims against Mr ing analyst, said Glynwed's Staveley, saying figures pre-tax profits would stand given by Richards did not at £79m (\$128.5m) in 1998, relate to the subsidiaries for which Mr Staveley was forecasts and £7.3m lower

its before exceptionals. He said: "This year is going to be bumpy as manufacturing slows in the UK. with lower volumes and more import penetration. Glynwed has disposed of its poorly performing areas, but the majority of its earnings

still come from the UK." Yesterday's sale of three subsidiaries brings Glynwed's total disposals to 16 companies over the past 18 months, representing turnmost significant sales were Glynwed Foundry Products and Wednesbury Tube, the copper pipe producer which was one of the founders of

Systems and PTFE Fabricators, which all serve construction markets, were sold for a total of £3.3m.

Glynwed has now renamed its consumer and construction division, which is led by its successful Aga-Rayburn and Flavel-Leisure cookers businesses. The division. now called consumer and food services, is one of Glynwed's key operations along-

side its pipe division. Glynwed said it would seek acquisitions of up to £100m in consumer products and pipe systems, as part of a strategic shift under Tony

esponsible.	than las				Glyn		uic iouna	crs of	tive.	3 Hew Cit	iei execu-
RESULTS											
	Dinioner (Em)	Pro- profit		es	i (p)	Current payment (p)	Date of payment	Dividends Corresponding dividend	Total for year	Total tast
ftish Bloodstock 6 mths to Sept 30			1.124L	0.123L)	3.1L	(3.21.)		-	·	-	2
wart			1.09 ♠ 519 ♥	(0.824) (0.712)	2.38 1.98†	(1.92) (2.2)	0.75 pal	Mar 3	0.7 nli	- n š	1.5 nil
vestment Trusts	Attributable NAV (p.) Earnings (Cm)			EPS	(p)	Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year	
Of ITs 9r to Oct 31		36.5) 126)	6.47 0.066	(25) (0.011)	8.3 0.25	(32)	•	:	:		
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Earnings shown basic Dividends shown net. Figures in brackets are for corresponding period. After exceptional charge \$\psi\\$After exceptional credit \$\psi\\$0 increased capital.

CSFB to cut more than 300 **BZW** jobs

More than 300 London-based staff in the BZW businesses bought by Credit Suisse First Boston would lose their jobs, the Swiss-owned investment bank said yesterday as the affected individuwere called in to learn their fate.

CSFB would only be keeping about two thirds of the 960 employees which came with the ex-BZW corporate advisory and UK and European equities operations, according to Christopher Carter, head of European corporate and investment banking.

The bank yesterday made redundant more than 30 staff in the corporate advisory business, whose purchase it completed last month. It summoned more than 200 others in the equities research, sales and trading operations to individual

This began a "period of consultation" which, for most, will end in redundancy. The timing of departure may depend on when CSFB completes the final step of the lengthy purchase process, which could be as late as April.

More than 100 of the former BZW staff did not face any uncertainty yesterday because they had signed up for retention packages announced. CSFB said those entirely upon future asset packages would add £50m (S81.5m) in costs to the much more difficult than £100m it paid Barclays for the European businesses. After integration costs, CSFB expects to have made a net investment of £175m.

Earlier this week, CSFB bought a few parts of BZW's equities operations in Asia and agreed to hire staff from some other parts of the business. It plans to take on 200 staff in all. leaving at risk the 500 BZW staff in the region not included in the

The CSFB cuts pale in comparison with those shortly as a result of the planned merger between Swiss Bank Corporation and Union Bank of Switzerland, where up to 4,000 jobs may be lost in London alone.

SBC and UBS are working down tier by tier in determining who stays and who goes. Next week, the 100 or so managing directors will be advised whether they have a future in the proposed new Union Bank of Switzerland. The process is expected to be completed by mid-February.

Peregrine arms seek buyers

By John Ridding and Clay Hamis

Peregrine Securities (UK), the London stockbroking subsidiary of the collapsed Hong Kong-based investment bank, yesterday gave assurances about its own solvency as efforts mounted to find a buyer for the group's equities business.

Colin Bird of Price Waterhouse, the accountancy firm which is handling the liquidation of the parent group, said Peregrine was looking for buyers for the UK and US subsidiaries as well as the Asian businesses.

Of the UK broker, he said: "It does not have a problem because its parent has gone bust. It has net worth and cash which should allow it to hold the fort."

Until its collapse, Peregrine had one of the region's most profitable equities operations with a strong franchise in Hong Kong and China. It was one of the largest underwriters of mainland issues, notably red chips, the Hong Kong subsidiaries of Chinese conglomerates or government

Chinese-backed banks view Peregrine as a means of acquiring an international distribution channel.

Financial sources in Hong Kong said it seemed likely that Francis Leung, managing director and a pioneer of mainland equity issues, could emerge at the head of Peregrine's equity operations, perhaps backed by a Chinese bank.

Kwong Sang Hong, Peregrine's property arm, said yesterday it had received a number of approaches.

NEWS DIGEST

Tomkins sizes up Spillers

Tomkins, the industrial conglomerate, has expreinterest in buying the Spillers milling business of Dalgety. the petfood and agricultural products company. Associated British Foods is also looking at the comp and others are believed to be interested, including Kerry and Greencore of Ireland. Spillers currently has about 13.5

per cent of the UK flour milling market. Brokers expect the operation, which is part of Dalgely ingredients division, to sell for about £300m. Analysis estimate sales of £223m for last year and profits before interest and tax of £17m.

Tomkins has its own milling and baking division, which includes Ranks Hovis, the breadmaker. This week it reported operating profits of £17.4m on turnover of £329m for the six months to November 1.

The company has been under pressure from shareholders to spend its £188m cash pile and increase its debt. This week, the company resisted calls for a share buy-back saying it was considering a number of large acquisitions which could easily lift gearing to over 15 per cent.

In September Richard Clothier, the former chief execu tive of Dalgety, resigned after the company announced restructuring programme to raise about £350m from dis posals and return at least £200m to shareholders.

Moody's warns banks

Five European banks could see their credit ratings cut because of their exposure to the financially troubled countries of eastern Asia. Moody's, the US credit rating agency, warned that it was reviewing Standard Chartered of the UK and Commerzbank, Bayerische Landesbank Westdeutsche Landesbank and Norddeutsche Landesbank of Germany for possible downgrade.

Moody's said its review of Standard Chartered, whose business is heavily centred on Asia Pacific, would focus on its exposure to the most troubled economies of the region, including Indonesia, South Korea and Thalland. The agency will also review the bank's Malaysian operation, which it said was "one of the most important elements of its Asia Pacific franchise after Hong Kong and

The review of Commerzbank reflects its "more mode economic capitalisation", said the agency. The bank's exposure to several Asian markets could erode some of the improvements in its domestic earnings in recent years. The three Landesbanks will keep their triple-A ratings for long-term debt, because they are backed by a government guarantee. However, their financial strength ratings, which do not assess the likelihood that they would be bailed out by their state shareholders, will be reviewed because of increasing concerns about their comparatively large exposures to parts of the east Asian

Christie's to cut 60 jobs

Christie's International, the auctioneer facing a £500m bid approach from SBC Warburg Dillon Read, yesterday told staff in London and New York that 60 jobs were being cut. The group, which employs a total of 1,900 worldwide, said the iob losses had nothing to do with SBC Warburg's approach. They were the result of a review started several months ago in an attempt to cut costs and reorganise the management structure.

SBC Warburg is investigating the possibility of a private equity consortium making an offer for the group. After an initial rebuff, it was last month understood to

have raised its offer to 300p a share. Christie's decided that the revised offer formed a basis for starting negotiations, but SBC Warburg said an offer would only be made on the board's recommendation and

after due diligence had been satisfactorily completed.

and Rice Li

Ewart revalues after approach Ewart, the Belfast-based property company, has revalued

its land and buildings after an unsolicited £21m bid from Dunloe House, a Dublin property company. Net assets per share unveiled yesterday alongside

results for six months to December 31, increased from 62½p in 1996 to 81p. Dunloe has offered 67p cash or an 18-for-5 share exchange, which with Dunloe's shares at 201/2p is equivalent to 74p. Pre-tax profits were up a third to £1.09m.

Ewart is due to issue its formal defence document next

In its original approach, Dunloe argued that a merger of the two groups could take advantage of the all-island property market. But Belfast brokers believe the Dunloe offer is exportunistic.

Noel Smyth, Dunloe's chairman, owns 26 per cent of Ewart and is a non-executive director. The market's view is that he cannot lose - if he fails to acquire Ewart he may flush out a new bidder, pushing up the value of hisshareholding in the company. The increase in asset value was because of the revalua-

tion of Ross's Court, the Belfast shopping centre leased to Argos, the UK stores group, under a 25-year deal. This added 4.4p to the net asset value. Ewart made clear the bid was "unwelcome", scotching suggestions from Mr Smyth that Brian O'Connor, Ewart's chairman, had approached him to make a bid. Mr O'Connor, who owns 16 per cent of Ewart, said, "the

full potential of our development stock has yet to be recognised and should produce significant trading profit . . . in the years shead"

Mandarin to open Miami hotel

Mandarin Oriental International, Jardine Matheson's hotel division, and Swire Properties, the Hong Kong prop erty group, are to develop a 290-room hotel in Miami. The joint venture's waterfront development, will cost \$25m (£52.1m), of which \$50m is expected to be financed by external loans.

Swire is contributing 75 per cent of the equity and Mandarin Oriental will take a 25 per cent stake in the hotel for \$9m. Construction on the Brickell Key site will begin later this year and is set to be completed in 2001.

Santos to sell UK assets

Santos, the Australian oil and gas producer, is seeking offers for its UK petroleum assets located in the southern gas basin and the North Sea. It said its international business would concentrate on the US where it had interests in the Gulf of Mexico.

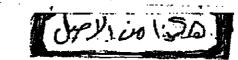
The company expects the disposals, to be carried out through Lovegrove and Associates, to be completed by

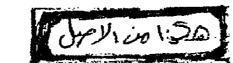
Gresham Computing lower

Gresham Computing, a UK electronic commerce product and service provider, reported annual profits before exceptionals down 30 per cent at £1.17m, while the pre-tax result was 60 per cent lower at £687,000. Turnover dropped 5 per cent to £8.7m.

The company said that after exceptional costs - including a legal dispute and terminated directors' contracts. and a significant one-off sales order in 1996, underlying profits had increased

Gresham invested in staff and infrastructure during the year to October 31, restructured its management team and acquired both Systel, a transaction product; and Circa, a banking and finance group.





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COMPANIES AND FINANCE

Abbott shrugs off dollar rise

By Nikki Tait in Chicago

Abbott Laboratories, the US First Call, healthcare company, shook off the report after-tax profits of \$2.1bn in the year to December, in line with \$1.3bn. market forecasts.

in 1996, a gain of 11.3 per cent, and news. was achieved on total sales of \$11.9bn, up 7.9 per cent on the previous year. Abbott, which is based in Chicago, said the sales figure would have been about 3 per cent higher without the effect of the strengthen-

ing US currency. Earnings per share rose 12.9 per

tially to develop the group's

securities business in Asia,

especially China and Japan,

and later move into other

markets through acquisi-

of a born trader, the 50-year-

too, winning seats on the

ruling Nationalist party's

central committee and its

finance committee. He has

also cultivated an entry on

business interests.

of stock

Beiglum (26) Brazil (30) Canada (121)

Hong Kong, China (66). Inconesia (27)...... Ireland (16).....

Netherlands (18) New Zealand (14)

Norway (38) Philippines (22) ...

USA (639)

Finland (28)

Taiwan's business elite.

Armed with the instincts

tions and alliances.

circles.

of analysts' forecasts, according to thirds of this figure.

The results came after an 8.1 per impact of a stronger US dollar to cent increase in research and development spending, which topped

Shares in Abbott rose yesterday The result compares with \$1.88bn morning by \$11 to \$70% on the

> Abbott saw its fastest sales growth in pharmaceuticals and nutritional products, where it added two new anti-convulsant products during the year and won the go-ahead to mar-ket Norvir, for use on children with HIV or Aids. Sales in the division increased 9.8 per cent to \$6.9bn, with

but were split more evenly between US markets, at \$2.79bn, and international markets - where the strong currency had an impact - at \$2.17bn.

The results came less than 24 Duane Burnham, chief executive, would retire at the end of 1999, and that Thomas Hodgson, chief operating officer, would step down at the end of this year.

Abbott has effectively put forward three candidates as Mr Burnham's company saw an exodus of potential successor by promoting Paul Clark, candidates.

cent to \$2.72, matching the average the US accounting for about two- Robert Parkinson and Miles White to executive vice-president positions. Sales of hospital and laboratory All three have been with the products rose 5.4 per cent to \$4.96bn, company for more than a decade and previously bave held senior vicepresident positions, overseeing the pharmaceutical, international and

give lift

Roche, the Swiss drugs

company, generated modest

sales growth in 1997, with

gains driven largely by cur-

rency factors and acquisi-

Sales in Swiss francs were

ahead 18 per cent to SFr18.8bn (\$12.6bn), but the

gain was only 6 per cent in

Sales in the pharmaceuti-

cals business, which accounts for 64 per cent of

Roche's revenues, grew 4

per cent in local currencies

to SFr12.1bn. or about half

the rate for the pharmaceu-

Growth was slowed by

patent expiries and govern-

ment-mandated price cuts in

Japan, while consumer bealth, including brands

such as Redoxon and Ren-

nie, increased market share.

The company's fastest-

growing business, fra-grances and flavours, bene-

fited from the acquisition of

US company Tastemaker in

April 1997. Sales grew 23

per cent in local currencies

to SFr1.9bn. But excluding

the acquisition, the growth

would have been about 1 per

Roche's diagnostics divi-

sion did well, with sales

growing 17 per cent in local

currencies to SFr966m. Sales

were boosted by sales of

products based on a technol-

ogy Roche acquired for

\$300m in 1991, polymerase

chain reaction (PCR) which

is used to detect tiny

amounts of genetic material.

chemicals side, the compa-

ny's second biggest division,

had local currency sales

growth of 3 per cent to SFr3.8bn, However, the com-

pany increased its market

share in this especially com-

With its sales figures pub-

lished yesterday, Roche also

said that planning and prep-

aration for the integration

of German diagnostics com-

pany Boehringer Mannheim.

was "moving ahead

petitive sector.

The vitamins and fine

cent

ticals industry as a whole.

local currency terms.

By Daniel Green

diagnostic operations respectively. Mr Burnham has headed Abbott hours after Abbott announced that since 1990, with Mr Hodgson as his chief lieutenant. However, the last succession at Abbott was anything but smooth: Robert Schoelhorn, Mr Burnham's predecessor, had to be ousted by the board after he discouraged competitors for his job and the

Taiwan buccaneer turns gaze abroad

amed as much for his swashbuckling style as his impeccable mall", a T\$24bn project with backing from the Nationalist party, Japan's Mitsubishi market timing. Tony Shen and the Singapore govern-Ch'ing-ching cuts a colourful ment. Core Pacific seized control figure in Taiwanese business over two recently privatised Within a decade the companies, China Petroself-made sailor-turned- chemical Development and tycoon has built his Core BES Engineering, a civil Pacific group into one of works concern, is building a Taiwan's top 10 conglomer- T\$34bn power plant, and has

completion of the purchase a printed-circuit board facof Yamaichi Hong Kong, is tory and a microchip testing now piloting the group over- plant. But Mr Shen remains "Through this acquisition, dogged by his reputation as Core Pacific can become an a buccaneer and by unsa-

internationally known voury rumours about his name," he said. He plans inipast. "Re's very aggressive and super-ambitious," said a Taipei investment banker. "He's seen as opportunistic, making money by speculation rather than traditional

manufacturing business." Mr Shen acknowledges old chairman has worked his such criticism but dismisses

way into the graces of the it as jealousy.
second generation of He has certainly had to fight for his present position. He has climbed politically With no formal education past high school, youthful run-ins with the law and three years at sea, he vaulted from messenger boy pride. to customs bröker, becoming the opposite side of the king" by the age of 30.

Taiwan Strait, where he has With assets of T\$150bn a trading company, to 1986, just as the market embarked (US\$4.4bn) and 1996 sales of Mr Shen cornered the mar- on a three-year bull run dur-T\$32bn, Core Pacific is in ket in textile quotas, amass- ing which the benchmark property and construction as ing a T\$3bn war chest of index quintupled and propwell as securities. In Taipei the group is developing what economic growth. So Shen subsequently gained Mr Shen calls the "world's renowned was he in the tex- notoriety as one of the "four October the index crashed to biggest downtown shopping tile industry that "even big kings of heaven" in the 2,500 points.

Index: % Index Index Index Index on day

130.94 -1.4 119.14 108.00 124.66 217.34 -1.8 1559.06 -1.2 1418.52 1285.98 1484.25 14110.63 0.2 400.47 -0.5 364.37 330.22 381.25 377.07 -0.1 72.79 -1.1 66.23 60.04 69.30 66.97 -1.3 282.33 -0.1 265.98 241.13 279.31 299.27 0.1 70.21 3.4 63.88 57.91 68.84 145.55 1.1 167.44 -2.1 152.35 138.12 159.41 135.92 -0.9 239.42 -0.4 217.84 197.48 227.93 280.42 0.2 279.00 0.0 253.85 230.13 265.67 327.91 0.3 458.80 1.0 415.82 376.79 434.88 532.51 0.9 326.57 -0.7 297.13 269.37 310.90 301.93 -0.1 17.00 3.3 15.47 14.02 16.18 35.05 3.4 330.05 0.9 300.30 272.24 314.21 300.30 1.0 337.98 -0.7 353.01 320.02 369.38 367.98 -0.7

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Tony Shen Ch'ing-ching: gaining international status

give me a cheque on my late 1980s. word alone", he says with

his cash from bank deposits From 1974, when he set up into property and shares cash on the back of Taiwan's erty prices quadrupled. Mr

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3.78 1.90 2.93 1.91 1.89 1.18 1.90 2.44 1.41 5.75 3.16

American companies would stock market's rally of the

"Everyone calls me a market manipulator, but actu- Shen takes the group over-In 1987, when he founded ally I was forced to buy Taiwan's undisputed "quota Core Pacific, he converted stocks - the banks didn't national environment you want my deposits," Mr Shen recalls.

In February 1990 he sold growing pains." one all his holdings soon after the index peaked at around 12,500 points. "I made the correct decision at the critical moment," he says. By

197.21 179.29 163.99 188.89 202.68 243.87 190.26 217.71

182.75 166.14 151.98 173.18 173.03 213.58 175.14 188.86 254.16 231.06 211.35 240.86 235.92 263.33 227.73 232.97 214.91 195.38 178.70 203.66 442.33 322.44 184.94 206.56

202.37 183.97 168.28 197.77 210.10 233.66 178.27 198.90 240.55 24

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erty when the stock market collapsed and the economy stalled, leaving it vulnerable to huge liabilities.
It was only through the intervention of Liu Tai-ying - Mr Shen's close friend,

But in early 1996 Core

Pacific nearly ran aground.

The group was heavily invested in shares and prop-

president Lee Teng-hui's top economic adviser and head of the ruling Nationalist party's extensive business interests - that Core Pacific survived. The party stepped in and backed his giant mall complex, funnelling in vital

r Shen blames the crisis on jealous rumours of his success in winning privatisation deals. "I was up to my neck - we almost went bankrupt. The banks wanted money and I just didn't have enough. I even thought of committing suicide," he said. Mr Shen's hands-on management style demands total devotion to work - from himself and from employees. But a reluctance to delegate may prove a liability as Mr seas. "To operate in an interneed to adjust your mentality. They will have some

observer predicted. There will doubtless be waves as the former seaman sails into international

Laura Tyson quickly".

Currency INTERNATIONAL NEWS DIGEST factors

SmithKline, AHP in tie-up talks to Roche

SmithKline Beecham and American Home Products, two of the world's largest pharmaceuticals companies, have held talks on a wide range of link-ups. Analysts said possible areas of co-operation included the consumer medicines side. SmithKline is one of the world's biggest companies in consumer healthcare after its acquisition of Sterling Health from Kodak in 1994. AHP also has a strong presence with brands such as its Centrum vitamin supplements.

A full-blown merger may be difficult because of the potential liabilities faced by AHP in class-action suits following the withdrawal of its slimming drug, Redux, last year. Redux had been linked with beart valve problems in a large proportion of people taking it.

Daniel Green, London and William Lewis, New York

AIRLINES

KLM brings forward disposal

KLM Royal Dutch Airlines said it had agreed to bring forward the sale of its remaining stake in Northwest Airlines, the US carrier. "Cutting KLM's stake to zero from 16,8 per cent, which was to be finalised in the autumn of the year 2000, will now take place before May 1 of the current year," the Dutch airline said. KLM said selling the remaining 18.2m shares would raise almost Fl 1.6bn (\$775m). The transaction creates a book profit of almost \$600m, to be posted in the current financial year to March

HK groups plan Miami hotel

Two of Hong Kong's oldest hongs, or trading houses, are teaming up to develop a US\$\$5m luxury hotel in Miami, the companies said yesterday.

Mandarin Oriental International, the hotels arm of Jardine Matheson, and Swire Properties, a unit of Swire Pacific, are developing the 290-room Mandarin Oriental on a prime waterfront site in Miami. Mandarin Oriental will manage the hotel. The bulk of development costs, or US\$50m, is to be financed by external loans. Swire Proper ties, which has already invested in the Miami property market, is contributing 75 per cent of the equity and Mandarin Oriental will take a 25 per cent stake for \$9m. Construction is due to begin later this year and completion of the hotel is scheduled for early 2001.

Louise Lucas. Hong Kong

■ CARMAKING

Mitsubishi downgrades forecast

Mitsubishi Motors yesterday highlighted the impact of Asia's economic turmoil by indicating that its results for the year could be worse than initially forecast. Takemune Kimura, chairman, said the company's group net loss. forecast at Y40bn (\$304m) in the year to March, could be larger as a result of the downturn in Asian markets. He declined to specify the extent of the losses. MMC, which has halted two out of four manufacturing plants in Thailand, has seen sales in the country halved to 32,600 units in the 10 months to October last year. Sales in the Philippines fell 13 per cent, to 27,000 units.

Michiuo Nakamoto, Tokuo

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Weekend January 17/January 18 1998

Seagate cuts 10,000 jobs as losses mount

By Louise Kehoe in San Francisco

Seagate Technology, the world's largest independent maker of computer disk drives, will cut 10,000 jobs - about 10 per cent of its workforce over the next three months in Thursday. Yesterday morning an attempt to stem mounting Seagate was trading at \$1920,

Most of the job losses - more than 7,000 - will occur in Asia, where Seagate has extensive manufacturing operations in Thailand, Singapore, Malaysia and China. About 1,800 jobs will be lost in Singapore, where Seagate is the second largest private sector employer after Singapore Airlines.

In the US, the company will trim about 1,300 jobs, most of them in Silicon Valley. The the Seagate job losses did not previously announced closure of Seagate's plant in Ireland, with the loss of 1,400 jobs, is included in the worldwide restructuring.

cuts last week when it said it said.

By Raiph Atkins in Bonn

would take a charge "in excess of \$300m" in the second fiscal uarter, ended January 2. The disk drive maker is expected to post a net loss of up to \$500m for the quarter. Details of the cuts were released after the close of trading in the US on down slightly from Thursday's close of \$19%.

Seagate's problems stem in large part from new competition in the market for high capacity disk drives, which it had previously dominated. The company has lost market share to IBM. Fujitsu. Maxtor and Samsung over the past six months, according to industry analysts.

Officials in Singapore said signal a widening of the Asian economic crisis. "Singapore's industrial base will stay competitive and continue to register growth," the Singapore Seagate hinted at further Economic Development Board

Telekom provides \$412m

to cover Asian impact

the disk drive industry has also created a glut of products and production capacity, put-

ting further pressure on prices.

Demand for disk drives remains strong and worldwide unit shipments are estimated to have risen by 20 per cent to 126m in 1997, according to Disk/Trend, a market research group. However, the market had not grown as fast as some manufacturers, who expanded production in the mid-1990s, had expected.

Quantum, another US disk drive manufacturer that had also forecast problems, yesterday reported a net loss of \$32m, or 24 cents a share, for its third fiscal quarter, just

The results included a \$79m write-off associated with its high-end drive business. In the same period last year the company reported net income of \$52m, or 36 cents a share. Quantum's sales rose 2.8 per

Boating industry struggles to stay afloat

By Brian Groom in London

Think of Marllyn Monroe afloat in Some Like It Hot. Think of yachts and Aristotle Onassis. Boats stand for wealth and glamour, if not always the best of taste. everybody wants one, right? Not any longer. Boat build-

ers are coming to terms with an awful truth: their industry faces a worldwide image problem. Quite simply, boats are becoming a turn-off. Young people don't want to know about them. Women are less keen than men. Boating is losing ground to hundreds of alternative pastimes.

The problem is acute in the US, home of the world's biggest boat industry. In the past decade, 10 million families have come into the prime boat-buying age of 35-55, but in spite of a growing economy, they are not buying boats. The US industry's turnover

has fallen from \$10bn in 1988 to \$8bn. Recreational spending has grown by more than 50 per cent in seven years, but boating's share has shrunk from 3.8 per cent to 2.1 per cent. In 1984 an American magazine reported that owning a boat came sixth on a wish list" of consumer preferences. Twelve years later, it came 15th.

The issue has surfaced at the London International Boat Show, currently being held at Earls Court. The British Marine Industries Federation, which runs the show, has issued a briefing paper which paints an astonishingly frank picture of steady decline.

"Boating is year by year struggling to maintain its popularity," it says. Beside a picture of an ostrich, it asks: 'Isn't it time we took our head out of the sand?"

Attendance at the show is 10 per cent above last year, but it has been overshadowed by the impact the strong pound is having on export sales. Longer term, the success of a handful of big companies is masking problems at dozens of smaller enterprises, the federation

THE LEX COLUMN Bully Bill

Argos

Might Bill Gates become a liability to Microsoft? Even raising the ques tion may sound like heresy. Mr Gates, after all, has built Microsoft into probably the world's most successful company. And since he is just 41, investors can reasonably expect that his energy and ambition will continue to drive the software group forward for another 20 years.

Unfortunately, Mr Gates' less endearing character traits are also part of the corporate culture. Microsoft's stance in the current court battle over internet software has been aggressive and arrogant. Allegedly defying a court order, it has issued non-working versions of its Windows software. Mr Gates was personally involved in the decisions, which have enraged the judge and could lead to Microsoft being found in contempt of court.

While belligerence might have just seemed feisty when Microsoft was relatively small, it now looks short-sighted. It reinforces the notion that the company is an "evil empire", undermining public support. That could not only damage sales but, more importantly, give the anti-trust authorities the confidence to mount a broader regulatory assault on the group. Microsoft is aware of these issues. Its top executives have talked recently of the need for a softer image and. possibly, even a code of business practices. Mr Gates is not yet a liability to Microsoft. But unless he can reinvent himself and his company's culture, he could yet become

Chinese banks

At last, some good news for beleaguered Asia-watchers. With China a big unknown lurking behind any recovery in Asian markets, its plans to pre-empt a financial crisis of its own are welcome. Overhauling its debt-encrusted banking system is long overdue. And Beijing's unwavering stance on maintaining the Hong Kong peg and the value of the yuan will also reassure international investors. That said, the central bank's admission that 20 per cent of state bank loans are nonperforming and five per cent irrecoverable still understates the case. The real figures are likely to be at its roots: kind to customers, kind to least double that. So strengthening the financial system will be a pain- ing. But this lack of ruthlessness ful process. Writing off bad debts and tightening supervision of lending habits is a good start. But large recapitalisations of many banks shifted towards how much more delivers investors some good news,

relations

magazine

UNITED STATES

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cial sector reform, of course, is inextricably bound up with moves towards a mixed economy, involving the preparation for privatisation of some 120,000 state-owned enterprises. Despite an official blessing from President Jiang Zemin for an accelerated sell-off programme, few

businesses are ready.
Indeed, high losses and debt levels could spell bankruptcy for many. As these companies account for the bulk of China's urban workforce, there is a risk of mass unemployment among the most politically restless portion of the population. But the rewards in spreading the dynamism already visible in China's private sector throughout the economy should be

Allied Colloids

Some final defence documents pull rabbits from the hat: poorly performing businesses will be sold; an unpopular head will roll; costs will be slashed. Allied Colloids has gone for a more dignified response. But then it had little to prove beyond a more robust approach to profitability. This has been addressed by the newish management, and its defence against Hercules' 155p-a-share bid has done enough to convince that earnings per share should rise from 8p to near 10p in 1998-99. The besieged management has stuck doggedly to staff and generous on capital spendleaves some of their savings with a bit of a one-off feel.

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bidder – if not Hercules then maybe a white knight. Current negative sentiment towards UK industrial companies adds to Allied's uphili struggle for independence. Assuming Allied is heading towards operating profits of £100m, a debi-free multiple of 13-14 times - in line with last year's deals in the sector suggests close to 180p. Hercules' initial after tax return would be around 5 per cent - low but wearable as the cashflow could be rapidly improved.

In a kind world, the management would be given a bit longer to deliver the appropriate performance from a company with many quali-ties. In these uncertain times, accepting a plumped-up bird in the hand is the more likely investor

Argos fell out of the UK retail sector's premier league a year ago. On yesterday's evidence, there is little prospect of an early return Against the backdrop of reasonable growth in consumer spending, flat like for like sales in the fourth quarter is a poor performance. The worry is that these figures reflect not simply difficult markets, but a degree of disenchantment with Argos's basic proposition as the price leader on the high street.

Markets clearly have not been easy: three of its core areas - toys, jewellery and electricals - have been in the doldrums for 15 months. Competitors have also been struggling. In the case of some, like Woolworths, they are clearly also more formidable opposition than previously. Argos's attempt to meet this challenge by stressing improved convenience and service seems logical; research shows shoppers placing increased store by such

But it will cost money. So while the company is cutting £7m in annual costs, a chunk of this will be handed straight back. Argos will struggle, therefore, to avoid repeating the 1997 experience of margins being sandwiched between cost inflation running at around 3 per cent and 2-3 per cent price deflation Even so, for a company of sound management and strong pedigree, a 30 per cent discount to the market looks excessive - especially when the tougher consumer environment this year should play to its The bottom line has in any case strength. But until the company may prove necessary as well. Finan- than £1.1bn can be wrung from a the shares look set to languish.

Deutsche Telekom, the directory inquiries reached German telecoms group which DM900m and its telephone this week saw the premature equipment activities lost departure of its international director, is to make provisions Provisions covering "all of up to DM750m (\$412m) in its identifiable risks" to south-1997 results to cover the east Asian investments were impact of south-east Asia's part of a DM1.5bn loss reported from associated companies, financial upheavals, it

emerged vesterday. News of the measures came as the group announced aftertax income reached only DM3.3bn last year, according phone group.

to preliminary estimates. lower than market forecasts. although up from the DM1.8bn reported for 1996. Pre-tax to DM7.5bn.

The group also revealed the extent of losses in its cable and half the DM1.5bn. broadcasting businesses, which reached DM1.1bn. It lights the challenges facing the warned that personnel expen- group. Deutsche Telekom is diture had not fallen in line already in talks with its part-

Companies in this issue

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Ewart France Telecom

Gazpron

Glynwed

Hercules

Jardine M

IBM

KLM

Liggett

Lorillard

Maxtor

22 Pentex Energy

Mandarin Oriental

Norddeutsche LB

Northwest Alrines

Abbott Labs

Allied Colloids

Commerchank

Core Pacific

Dunice House

Connex S Central

BZW

Bayeris

Compco

Amer. Home Prods 23

with staff numbers. Losses from public payphones and

including substantial start-up losses from Global One, its joint venture with France Telecom and Sprint, the US tele-

preliminary estimates. Deutsche Telekom – which has stakes in businesses in Indonesia, Malaysia and the Philippines - would not comment on the scale of Asian proincome was up from DM4.1bn visions, but told analysts in accounted for a little under

The announcement high-

Railtrack

Richards

Swire Prop's

US Tobacco

Floche

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22

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ners about restructuring Global One.

But its international strategy has been set back by the departure on Thursday of Erik Jan Nederkoorn from its manment board. At home, Deutsche Telekom

faces stiff competition from new rivals following the liberalisation of Germany's telecoms market from January 1. It is also struggling to contain costs; unions yesterday demanded pay improvements equivalent to a 4.5 per cent

rise as well as job protection

After sliding more than 4 per cent, Deutsche Telekom's shares ended up 81 prennigs at DM32, though shareholders private briefings that they can take comfort from the group's decision to stick with plans for a DM1.20 dividend double the 1996 level. The price compares with the DM28.50 level at Deutsche Telekom's

flotation in November 1996.

RJ Reynolds SBC Warburg Seagate Tech Sibir Energy Singapore Airlines

FT WEATHER GUIDE

Markets Latest (+97.9) III STERLING FTSE 100: _ FTSE Burotop 300 FTSE All-Share 2461.58 New York function Dow Jones Ind Ave 1,6371 2,9911 10,0179 2,4449 211,155 (+84,45) (+12,70) LONDON MONEY (7<u>13%)</u> (M:123,7) € Index 3-mo interbank . Lifte long gift fut:.. E DOLLAR **US LUNCHTRUK RATES** Federal Funds: . 3-m Treas Bills: M NORTH SEA OIL (Argus Brent Dated .. E GOLD

Europe today

Scandinavia will be unsettled and breezy in the south and west with frequent showers, many of snow. Eastern Europe will be cloudy and damp with above average temperatures although the far northeast will have snow rather than rain. The Alps and much of Germany will see showers at first with snow on the mountains but fine, bright weather over France and the Low Countries will spread east this afternoon. The western Mediterranean and the Algarye will be fine and warm but Sicily and southern Italy will be dull with rain and scattered thunderstorms Greece will also have occasional

Five-day forecast

Italy, Greece and the Balkans will remain unsettled with further rain and showers. Eastern Europe will be changeable and increasingly wintry. Scandinavia and north-western Europe will also be much colder. The western Mediterranean will become wet, windy and cold.

heavy showers with local thunder.

TODAY'S TEMPERATURES



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Lufthansa

sun -3 Cardiff
drzil 7 Casabland
rain 10 Chicago
shower 6 Calogne
shower 21 Dallar
sun 31 Defin
shower 5 Duble
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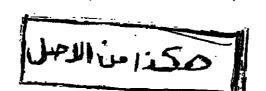
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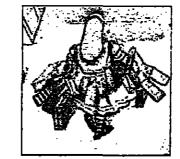






Party spirits

'However long your boa, it was almost inescapable that your host would make



Take Manhattan

We're doing antidepressant aromatherapy lipstick. Soon after, we're going to launch an out-of-body machine'



Courting surprises

Hewitt was inspired. Like his hero Agassi, he takes the ball early, single-handed on the forehand'

Man's quest for genetic perfection, for ever more intelligent and capable children, has a fatal flaw. Lee Silver contemplates an imperfect

I am Alpha and Omega, the beginning and the end, the first and the last. - Revelation 22:13

WASHINGTON DC:

future.

he members of the Commission on Ultimate Ethics, established under Dr Albert Finlay six months earlier, had come to Washington, in secrecy and in individual transport pods, to present a final report that had slowly taken shape in Simulsat dis-

One representative from each of the relevant fields repro-geneticist, evolutionary biologist, demographer, sociologist, psychologist and universal theologist - sat around the table in the conference room at the Department of Health and Human Services. One by one, they took turns presenting a portion of the report to the secretary, who was due to meet President Jordan the next

The findings were grim for a man whose own research had been inspired by the neo-enlightenment ideal of society evolving into an ever usticated order, Yet Finlay could find no flaw in their logic, no reason clusion in the final sum-

"If the accumulation of aries such as Wells, Veme, genetic knowledge and Huxley, and Asimov. advances in genetic enhancement technology continue at the present rate, by the end of the third millennium, the GenRich humans and the Natural-humans will become entirely separate species. They will have no ability to cross-breed, and will have as much romantic interest in each other as a current high quality genes. human would have for a syn-

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thetic chimpanzee."
The presentation took just over two hours. Throughout. Finlay set in stience. It was too disturbing to comprehend. Unbelievable, and yet, entirely predictable. Indeed, predicted long, long ago. His mind wandered back to his teenage years, when he had been an avid reader of early science fiction, including the quaint stories written by one of the fathers of the field. H.G. Wells, at the end of the

19th century. So much of what Wells had prophesied - television. intercontinental air travel. space stations, motion pictures, air conditioned cities, become reality within a cen-

And now this as well species," Wells had written, "the gradual widening of the present merely temporary and social difference the whole position," in the by all mem antiquated political lan-Rich class. guage of the era. Now it was all coming true.

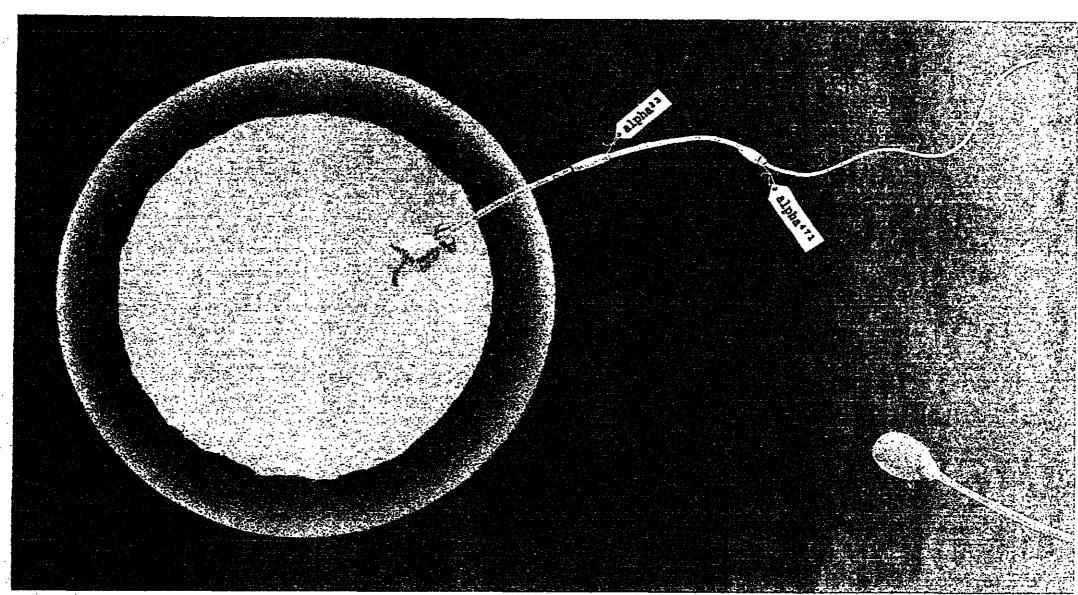


you feel slightly shabby'

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The gene genie

the predictions were surreal. humans might someday be able to manipulate their own genes was, clearly, too ludito challenge the central con- crous to consider during the latter decades of the second millennium, even by vision-

And yet here we are on the cusp of an incredible evolutionary event. Not in the way Wells had imagined, as the result of natural, economic evolution, 800,000 years hence, but in less than 500 years as a result of evolving and developing ourselves with layer upon layer of

It had been 300 years since genetic enhancement began in earnest. During that time. 12 generations of GenRich individuals had lived and reproduced. And with each generation, it became possible to start with an alreadyenhanced genome that could be enhanced even further.

And with each generation. an increase in biomedical understanding and genetic technology allowed reprogeneticists to make ever more complex enhancements, with hundreds, sometimes thousands, of added

Although the initial focus was on genetic refinement for the sake of physical and and much more - had mental health, it shifted quickly to personality traits and talents in the cognitive, -athletic, and artistic realms. "the splitting of the human In these areas, different enhancements were chosen for different GenRich children. But these differences sat on top of an ever-expandbetween the Capitalist and ing genetically enhanced the Labourer was the key to framework that was shared by all members of the Gen-

The conclusions were obvious to Finlay but he was: The only thing that Wells frightened by what he heard, had occasionally expressed

larly known - were spread across north America, and networks stretched to that politicians had focused Europe and most parts of the on in response to lobbying. world. They were run as private businesses, without any

with limited monitoring. Indeed, long-existing laws prohibited the use of federal funds for what was euphe-mistically called "research" on human embryos. Both utives found this prohibition convenient for political cover, and it provided the basis for the "hands-off" approach that the government had consistently taken toward GE.

It was for this reason that Finlay had been asked to form his commission in secrecy. But now that the final report was about to be delivered to the president's hands, what could he do with it? How could be stimulate a sensible debate, given that it would inevitably be dominated by GenRich individuals?

The problem was that GE represented a multi-billion dollar industry that served not only American citizens, but was a big export earner. Indeed, the American GE industry benefited enormously from restrictive laws that limited the use of its latest developments in many other countries. As a consequence, genetic enhancement was a trade issue, much as cars, and semiconductors and aircraft had been in the early days of

capitalism. Not surprisingly, politiclans and their supporters from the business community were loath to go anywhere near it. Of course, through the years, citizens

intrusion into the free market - these were the issues

Finlay and all of the presenters in the room with government assistance and him that morning were themselves GenRich. If they had been born otherwise. they would never have attained the positions they held. All members of Congress, all entrepreneurs, all elected officials and GE exec- athletes, all artists and entertainers were members of the GenRich class. There was no longer any way that even the most talented and gifted Natural could advance into any of these realms.

> The notion that someday humans might be able to manipulate their own genes was too ludicrous

What could be done? What was possible? Put a stop to the whole thing, there and then? Outlaw the practice of Genetic Enhancement? There would be an outcry from all the GenRich. A Congress filled with GenRich legislators would never agree to a ban or even a temporary suspension.

And even if it did come to ass, in the end, it would make no difference. Sure, it got wrong was how long it and searched for the appro- concern about the long-term revenue and a state-of-the- ferent in quality of life. Stop-

If legal restrictions erected

in one country or another were useless, was there another way to stop the practice of GE? Finlay considered the moral argument. Perhaps he could convince President Jordan who. underneath his tough political GenRich skin, showed twinges of humanity, to bring his influence to bear on the problem and make clear the moral wrongs of

Perhaps a campaign could be undertaken to explain to all GenRich people the frightening consequences of GE for humanity as a whole. Perhans it could be a compulsory part of the curriculum at GenRich schools. Unconsciously, Finlay

shook his head as he realised the elimination of GE was hopeless. Prospective parents wanted to provide their possible advantages in life. It had been that way for hundreds of thousands of years. How could you convince parents to forsake this instinctive desire for the good of society? Each indi-

vidual parent would inevitably argue: "The genetic enhancement of just my child has no impact on society at all. Why is it immoral for me to want the best for my children? I'm not harming anyone else by my So much had changed, and

so much would have to change to make society more equal, more human again. The gap between the Gen-Rich and Naturals lay not might slow things down in just in genes, but in every the short term - perhaps a other aspect of their nurturfew months, but GE centres ing. Their earning power would move to off-shore was different, their life islands, and to Fifth World chances far apart, their comcountries eager for extra tax munities so dramatically difwould take Space travel to priate response. Genetic impact of GE Rights to pri- art industry. The prospective ping the practice of GE cold, standing and technology other worlds was easy enhancement clinics - GE vacy; individual liberties; GenRich parents would fol- at this point in history, continued to explode expo-

back together again.

If there was no way that GE could be halted, was there a way to stop it from breaking humankind into two? Finlay imagined a Utopian society in which GE was freely available to all, and where all Naturals were raised to the level of the GenRich. It brought a smile to his face for a moment, but for just a moment.

There was no way society could afford to provide this expensive service to all of its citizens, even if it wanted to The creeping apartheid could only continue to expand. Finlay thought for a moment of another of Wells's Time Machine visions, the Eloi and the Morlocks, the charmed and

the damned. Where had we gone wrong? Was there any time in the past when humankind children with the greatest could have taken a different course? Where was the intersection, once crossed, that had taken society to this inevitable conclusion? Finlay was well-versed in the early history of GE. The original practitioners drew a moral line between preventing disease and enhancing characteristics. How could anyone argue against pre-venting childhood disease?

But it soon became clear that the moral line was an imaginary one. It was all genetic enhancement. It was all done to provide a child with an advantage of one kind or another that she/he would not have had other wise. And what was wrong with that? What was wrong with helping children to live better lives?

The history books made it clear that early 21st century scientists had failed to see the cumulative impact of GE. Even as scientific underart industry. The prospective ping the practice of GE cold, standing and technology

pentially around them, they continued to assume that on a journey into a rapidly the future would be the same as the present, and that complex physical and cognitive traits would

With a shock that opened his eyes wide, Finlay realised that most present-day scientists had the same mental block as their predecessors. It was late, too late to do anything at all, he con-

always be beyond reach.

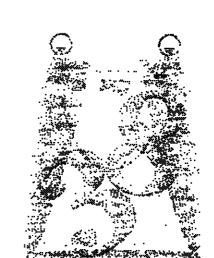
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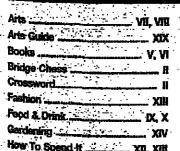
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Motoring Perspectives ... Joe Rogaly ...



Joe Rogaly Saying sorry

'It is either free or cheap. It probably does no harm and may in some instances be beneficial'

Page III

NEXT WEEK

Travel supplement

Cruising, wild life and wild water, the Caribbean, City breaks ... inspiration on where to go

With Weekend FT

PERSPECTIVES

Minding Your Own Business Weaving expertise with tradition in Laos

Faded skills had to be revived in the development of an untapped market, says Sarah Tilton

Nations offered Carol Cassidy a lob in Laos nine years ago, she barely knew where the tiny country was. Today, Cassidy is credited with almost single-handedly reviving its weaving tradition. Her business, Lao Textiles, is making the Land of a Million Elephants (sandwiched between Thailand and Vietnam) a favourite destination for New York designers and London art collectors.

Cassidy, now 41, took up the offer and moved to Laos in 1989 for a year as a consultant to a textiles development programme. Laotians had been weaving for centuries, though their skills had faded after 100 years of French colonisation, Japanese occupation and American hombing

Farmers had switched from producing silk to growing opium poppies. Women had all but given up the unique, intricate designs and were using simpler patterns. Looking at the elaborate heirloom pieces people kept hidden in stoneware jars, Cassidy saw a chance to many and computer-matched save a disappearing art form and develop an untapped

When Cassidy's UN contract expired, she decided to start her own business in Laos. "The challenge was to bring Lao textiles into the future. I wanted to combine my 20 years of experience with hundreds of years of Laotian beritage," says Cas- month, several times the sidy, who started weaving as a teenager in Woodbury, Connecticut, and later studied it at the University of ing the cost of training. Michigan and in Finland and

market research in Paris and uct line: silk upholstery fab-New York; these confirmed rics, wall hangings and there was a strong interest in museum-quality textiles and hand-woven art. With their life savings of \$200,000, Cassidy and her husband, a former UN development specialist whom she met when they were working in Africa, formed Lao Textiles, the first company owned by Ameri- Lao weaving mechanisms right: "There is always a cans and incorporated in and modified them to make Laos since the country was longer, wider pieces. opened to foreign invest-

the dilapidated house which became her studio, showroom and home. The spectacular scarves and wall hangings are draped from rosewood racks, making the space a mosaic of rich, subtle colours and textures.

Cassidy's next step was to train the weavers. Training finally had something to sell in January 1992. The weavers and looms - all handoperated - are situated behind the house in an open-air workroom with a bamboo roof and ceiling

Her former gardener col-

Workers get three months' maternity leave and earn severai times the average local

dyes imported from Gerto traditional dves made from indigo and saffron.

The pay and conditions at Lao Textiles are enviable for Laos. Workers are paid \$50 a month while being trained, get an unheard-of three months' maternity leave, pension and health benefits, and, once trained, earn between \$80 and \$200 a average local salary. There is almost no staff turnover, which is important consider-

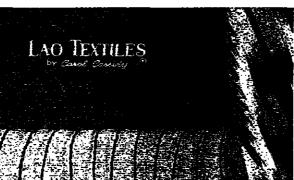
In between renovating the house and training the weav-Cassidy commissioned ers she fine-tuned the prodaccessories. The techniques highlighted Laotian weaving: tapestry, brocade and ikat, a complicated process that uses selective dyeing before the pattern is woven.

Cassidy designed and built five looms (a carpenter built the next 17) using traditional

She researched designs, sourced the raw materials It was a slow start. Cas- and for the first three years sidy played many roles: art- dyed all the silk herself. She ist, designer, entrepreneur. still supervises every aspect diture was restoring the contracts with local sup-



Carol Cassidy: 'The challenge was to bring Lao textiles into the future, I wanted to combine my 20



pliers from, for example. silkworms' diet to the production of acid-free wrapping paper and shopping include That royalty, bags made from mulberry bark.

Meanwhile, her husband handles the finances and administration and has Paris. Hollywood actors on taken on a considerable share of the child-rearing room. Customers telephone responsibilities (they have a or fax orders and Cassidy nine-year-old son and a three-year-old daughter).

Cassidy has never done any marketing or advertising, relying exclusively on word-of-mouth. She was convinced that textile collectors would find her and she was for about 60 per cent of sales. market for quality."

The turning point came in 1995 when Cassidy held a one-woman show at the Museum of the Fashion addition to furnishing fabric, Institute of Technology in New York. The timing was Her first and largest expen- of the business, including right: eco-fashion and Indo- waistcoats and Japanese chic were becoming popular. obis.

Most of her clients are foreign; 80 per cent of the work is exported. Customers museum curators and New York architect Peter Marino responsible for the refurhished Dior boutious in vacation drop by her showuses a courier company to deliver round the world.

European designers commission for houses everything from tablecloths to curtains, upholstery and wall hangings. Commissions account It can take two weeks to weave a scarf and six months to make a wall hang-

for nine months.

ing. Scarves start at \$150 and wall hangings at \$1,200. In she has expanded her finished items to include ties,

Cassidy says Lao Textiles made its first reasonable profit in 1995, Since then, she has recouped her initial investment, and turnover has increased five-fold since the start. The number of employees has grown from five to 40 and the company has taken over the entire house. Cassidy and her family moved out a few years

Cassidy is now at a crossroads; it would be logical to expand but she is anxious to to maintain quality and integrity. Increasing output would mean stepping up every phase of the process. For instance, she has had to turn down an order from New York designer Donna Karan because her weavers can only complete a few centimetres a day. An order for curtains in a London apartment will take up two looms

It is a challenge running a business in a country which is making the transition to a market economy. Cassidy went to Laos before it had a constitution, foreign investment regulation, tourists or even international telephone lines. In the early days, making an overseas call involved taking a wooden boat across the Mekong River to a village in Thailand.

■ Lao Textiles. Ban Mixai, PO Box 5088, Vientiane, Laos. Tel: (856) 21212123; fax: (856) 21216205.

The Nature of Things That old black, spooky magic

From 'Star Trek' to reality, particles can now be teleported from A to B, finds Clive Cookson

than light, as frequently remind enthusiastic fantasists about long-distance space travel Amazingly, however, information can move at infinite speed – at least in the weird world of

Physicists at the University of Innsbruck in Austria have just carried out for the first time in which the physical state of one particle is transferred instantly to a econd, distant particle.

Teleportation is a concept dear to the hearts of science fiction fans and above all to followers of Star Trek, whose characte are regularly beamed up to their spacecraft or down to a planet. They ematerialise instantly at

their destination. Quantum teleportation is not quite the same. The process does not transpor the physical matter itself but its "quantum state" information about its energy or the way it is spinning. And teleportation annot be used for large objects, only for sub-atomic particles whose behaviour follows the (often unexpected) rules of quantum theory rather than classical physics.

Even so, the Impsbruck experiment is a striking lemonstration that the quantum mechanics, which so disconcerted Albert Einstein during the 1920s and 1930s, hold true in real life. Einstein's most celebrated observation · "God does not play dice" was aimed at the important roles played by chance and uncertainty in quantum

But Einstein also found it hard to believe in what he called "spooky action at a distance" - the mysterious ability of quantum particles to become "entangled" so that any interference with one particle has an immediate effect on the other. however far away it is.

A series of experiments over the past few years has proved this principle of nt, which is an essentiai requirement for teleportation. Last summer a Swiss

group at the University of Geneva sent pairs of entangled photons – light particles – through optical fibres to detectors in nearby villages. They found state of one photon state of its partner 10km

There is no sign that this effect falls off with distance, as some physicisis had expected. Indeed, it may work right across the universe, though no one has the faintest idea how.

he Innsbruck

scientists chose to teleport a photon's state of polarisation: the way the particle is spinning. They set up a bewildering array of experimental apparatus lasers, mirrors and assorted optical instruments - for the

Unfortunately their speriment is impossible to describe without using more technical language than is usual in this column. I hope non-scientific readers will

bear with me. A conventional particle must be polarised either vertically or horizontally, be in an intermediate state described by complex mathematical equations. However, as soon as you bizarre rules of quantum physics require the particle to fall into a definite state of horizontal or vertical polarisation - and at the same instant, its entangled twin falls into the opposite

The Austrian scientists fired a laser into a special crystal to create an entangled pair of photons S (sender) and R (receiver), which would act as a communication channel for teleportation. Their aim was to transfer the state of an independent photon M (message) instantly to R. To do so, they entangled S with M and measured then polarisation. The act of measurement destroyed th quantum information in S and M but, because of the original entanglement. R instantly adopted the state

The results, reported in the journal Nature last month, are convincing. Time after time, M is teleported across the Impsbruck laboratory to R although the two particles are never in direct contact

Now that the principle has been proved, scientists will be able to improve the efficiency and reliability of quantum teleportation. They should be able to extend it from photons i more complex particles such as atoms and molecules.

However, it cannot be scaled up to transfer macroscopic objects like people. That would only work, even in theory, if our entire state of being, physical and mental, could be described through a set of quantum equations - ... which it cannot.

No, the main practical applications foreseen are in mantum communication and computing. It might be possible, some time in the next century, to process immense amounts of data in entangled quantum systems and to transmit the results instantly over vast worry about noisy

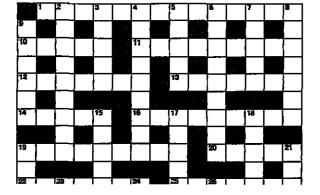
communication channels. A far more speculative possibility for the distant future is teleporting states of mind. Some people believe it will be possible to describe the brain's activity, at least partially, in terms of quantum mechanics.

If so, thoughts might be candidates for teleportation. Indeed this sort of assisted telepathy rather than anything as crude and slow as radio waves - might be the preferred communications mode for really advanced extraterrestrial civilisations.



CROSSWORD

No. 9,583 Set by CINEPHILE A prize of a classic Pelikan Souveran 800 formtain pen for the first correct solution opened and four runner-up prizes of Pelikan M200 fountain pens. Solutions by Wednesday January 28, marked Crossword 9,588 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday January



- 1 Flogger and photographer. 2 It's no easy task with roses the little brat (14) etc (4.5) 10 Agreement about public relations for battle ground
- (5)
 11 Left-wingers with misplaced pride are a pest (3,6)
 12 Greed from the pen? (7)
 13 NB award for solvers (4,3)
 14 Winner to eat like a horse
- 16 l left soldier in pub, con-
- 16 I left soldier in pub, contrary to reason (9)
 19 Fighting pets in singular downpour (3,3,3)
 20 The great man's diminished in over 2000 years (5)
 22 At home, gambles with mathematical powers (7)
 25 Lawrence and I leaving artist's place in old military formation (7)
 27 Past 8, cooked the pasta (9)
 28 On strike about deviating from what's proper (5)
 29 Access prohibited to revolutionary hot on coarse food (2,12)
- etc (4,5) 8 Chance for the sheriff's
- men to own some (5) 4 Vermicidal satellite (5,4) 5 Piece of hybridised umbelliferous plant (5)
 6 Snake and watchdog eating first tasty shoots (9)
- 7 Pet Irish cereal? (5) 8 Whale causing some fear, or qualms at least (7) or quams at teast (7)
 9 Seeing shortly setter's film
 on love? (6)
 15 Disney's film company
 turns up in emergency at
 No. 10 (9) 17, 18 One swift with the
- baton to avert strikes? (9.9)
 19 Opposed to keeping borders in the shade (7) 21 Solvers get warning sign from bodyguards (6) 23 Plan for conscription? (5) 24 Battle between words an music (3-2)

Played Hand award was given to David Burn - longtime British International and expert analyst.

♥ K84 **♦ AQ10986** ♣ 8732 **▲ K97643** ♥ Q752 🚣 A 10 A Q 10 5

The Lederer Memorial split However, Burn cashed Trophy, held at the end of VAK and his A4 - a modest

last year, features some of little discovery play most the best players in Britain, people would be wary of together with a smattering making But, as the diamond of foreign talent. The Best position is the only important matter here, every morsel of information is vital. As it was, West played J♥

BRIDGE

on the second round of the suit. Declarer now reasoned that West's jacks suggested short holdings in the major suits - especially as, had West held a four card major. he might well have led it. Placing West with a 3-2-4-4 hand pattern, Burn cashed his K+ and then led his 74. playing 10+ from dummy

Anatoly Karpov has retained the Fide world title by beating Vishy Anand 5-3 in a strange match at the Olym-

pic Museum in Lausanne marred by unforced errors and unequal conditions for the players. Anand survived a 95-player knock-out at Groningen, beating Michael Adams in the final then he had to meet Karpov in a different country just two days later. When Karpov won the

first of a six-game match with a smart novelty, then created a winning attack in the second, it seemed all Russian is liable to blunders: This held the trick, and his he lost that game and later

World no 2 Kramnik is waiting in the wings, so the less than thrilling prospect opens up of yet another series of all-Russian K v K matches. Whether Fide's Russian president flyumzhi nov can continue to finance biennial 23m knock-out championships must be

CHESS

doubtful. . So chess needs a new western challenger. If Britain's Adams, who went so close at Groningen, could find the right form, it might yet hap-

No 1214 Nigel Short v Michael over. At age 46, however, the Adams, 3rd game 1997. White

arch (In

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1 **新春片**

THE PARTY NAMED IN COLUMN TWO IS NOT THE PARTY N

PERSPECTIVES



Things

Ids Clive Cooken

* 15 Table 1242

1. No. 2. 1577

i. .

Joe Rogaly

'I'm sorry' (There, that didn't hurt, did it?)

An apology is cheap and fashionable - and something governments can do without raising taxes

attempts to erase memories of the horrors of the past with as few words and as little compensation as possible. This week Ryutaro Hashimoto bowed.

The Japanese prime minister said that his government was unanimous in its "expression of deep remorse and heartfelt apology to the people who suffered in the second world war". A few more yen were thrown into the

survivors' rattling mugs. At about the same time, Jacques Chirac wrote to the families of Alfred Dreyfus, the Jew-ish army captain falsely accused of spying for the Germans, and Emile Zola, who defended him. The French president called the affair a "dark spot" in the history of his country. It was 100 years to the day since Zola's dev-

was published.

In London, the British government has been making up its mind about whether to apologise for the shooting dead of 14 civilians in Northern Ireland on "Bloody Sunday", January 30 1972. It has already apologised for the Irish potato famine.

What these incidents have in common are our old friends race and ethnicity. British prisoners of war were maltreated by Japanese guards. There will always be anti-Semites in France, although today their venom is commonly aimed at Arabs rather than Jews. The English and the Irish tribes will never wholly

So we can easily guess why

instances he heneficial Rest of The attention of the media is to the Aborigines. more or less guaranteed.

In spite of these manifest advantages, some proposed conrecent visit to India, the Queen was ill-advised to mutter a halfhearted expression of distress at the massacre of unarmed Indian civilians in Amritsar in 1919.

Bill Clinton has been pressed to atone for the transportation of Being president means having to ionable. Handled with care, it is pensation. The Canadian governmust look to the rational, grants usually enhance the econ-

I realised that for more

than an hour, while Downes

was talking, he had never

provoke him, saying his cre-

ation, the octagonal vesti-

bule, reminded me of a vase

could slide away from Gothic into Art Nouveau."

Windsor Castle, he added.

had been his biggest challenge. I was surprised. I had

assumed that it was more

challenging to create some-

thing from scratch than to

work on an existing build-

"No, this was more chal-

lenging. Everything you do

is taken from existing refer-

ences. If you are in the mod-

ernist mainstream, there are

a lot of examples around you

"When you are working on

that you are well aware of

incredibly difficult to find

novel. It takes a hell of a lot

the mainstream you are, the

It later dawned on me that

what Downes described as "mainstream" is what the

public often perceives as

I-decided to test his

modernist innovation.

harder you have to work."

astating indictment, under the either free or cheap. It probably ment has expressed "profound does no harm and may in some regret" for the destruction of its native cultures. Admittedly, Ausall, it is something governments tralia has hardly offered as much can do without raising taxes. as a teaspoonful of genuine balm

Meanwhile, the record of intertribal atrocities grows. The seeds of 21st century expressions of fessions of past wrongdoing stick remorse have already been in the official throat. On her planted in Bosnia, Rwanda, Palestine and Israel, to take just the three most obvious examples. Perhaps someone, some day, will be called to account for the slaughter of the innocents now taking place in Algeria.

The wait may be long. Tribal African slaves across the Atlan- antipathies are slow to erode. As tic, and for the segregation laws we have seen, half a century of that evolved after emancipation. nor is a full 100 years. Old say you're sorry. The White wounds carry themselves from saying sorry is becoming fash. House fears a demand for com-

orderly, self-controlled superbeings soon to be created by genetic selection. Perhaps they will know bow not to make permanent enemies.

Alternatively, migration plus biotechnology might melt down humanity into a single ethnic group. Such a flash-forward might seem fanciful, but you cannot deny the logic of it. Every day we read new evidence of how the planet's economies are being coalesced. Everything, from farm management to financial services, is global.

We are dismantling national barriers to the flow of capital, freeing all trade, becoming aware of the likely emergence of a universal electronic currency. Why not unrestricted movement

We know the answer. Immi-

omy of the host country. They enrich its culture. But tribal suspicions persist. This tension is evident everywhere. Over the past few weeks the European Union has once again discussed how to resist inward migration. while dissolving the union's

internal borders. The disturbance of financial markets in east Asia has been given as a reason - excuse? - for plans to deport foreign workers illegally employed in Korea. Thailand and Malaysia. China is hospitable to immigrants it regards as useful to its economic development. So, in theory, is the US, but American economists and politicians are debat-ing the precise added value of new arrivals, particularly the

If mankind is to be recreated as an amalgam of its constituent

tribes, the US will lead the way. It is gradually becoming less white, more Hispanic and east Asian. The black share of America's population is expected to edge up from 12 to 13 per cent over the next three decades. During the same period, the Hispanic and Asian proportion will probably double, rising from 13 to 27 per cent. It is also a fair bet that when human cloning becomes a large-scale business it

will happen in America first. The withering-away of racial differences, or at least the evolution of nation-states that encompass many tribes within them, will not mean that our species becomes less murderous. There will, however, be fewer ethnic causes of strife. Heads of state to apologise for.

Lunch with the FT

Nhen a man's home is Her castle

Windsor Castle is finished. Giles Downes, the Queen's architect, talks to Samer Iskandar

man who had ter is a professor of biochemthe Queen for the should surely, I thought, be we were always being told it stiff and old-fashioned. Fresh from re-building the fire-rav- was working with [Sir Nor- upside down. He laughed: aged Windsor Castle, Giles man] Foster every moment I "Yes, it would remind you of Downes had sounded suspi- wasn't in college. And when a vase, if I have done it cious of the very concept of I was out and about in Lon- right. What was important an interview over lunch.

My fears seemed to be con- money. I lived in a flat on metry and to stick with it firmed when, at the former Charlotte Street in the West but push it as far as one garage which houses the End It was an extraordinary could. The danger was that offices of Sidell Gibson, the place; the front door was if you were not careful, you he is a partner, Downes told me sternly: "Let's be clear about this from the start: I will not talk about our clients, including the royal nousehold."

"This is not at all what I am interested in," I fibbed. it seemed to work. He relaxed, and we shared a short walk to the restaurant. The rows of pastel-coloured houses around Primrose Hill, in north London, manifestly had a beneficial effect on Downes's mood. By the time we were seated in Odette's restaurant, my companion was a changed man.

Odette's is a pleasantly old fashioned restaurant not much bigger than a domestic dining room, its dark walls almost entirely covered with mirrors in heavy gilded frames. I made a mental note to remember it for romantic

"This place is really for business lunches." Downes interrupted my thoughts. "I wouldn't come here in the evening: I'd feel I had to put on my best behaviour. And I can't afford to go to places like this; also, I have a small daughter and I have to pay for her education."

I wondered if he was joking but did not ask. Downes, I soon realised, had a passion for food. He was passionate about almost everything we discussed, including architecture, sculpture and his five-year-old daughter, Elizabeth. He take a very long time. It is spoke softly and smiled a lot. I had misjudged him. Downes seemed to know

about wine and chose a 1994 red from Bergerac, in the Dordogne. He said he would be satisfied with a cheaper 230 Bergerac if I had the budget for it. He asked the waiter for a side order of spinach to go with his chicken and mushrooms, then suggested: "If you like spinach, order some, otherwise you won't get any."

Earlier this year, he celebrated his 50th birthday in the Dordogne. "I have friends who run a restaurant there. I worked out that I had more close friends in have in London, So I decided to have the party there."

Downes described himself was his first opportunity to 28 the black sheep of the experiment with organic family I was the one who didn't go to university but with sculpture. So the opporwent to art school." His sis- tunity to do that was great."

been working for istry at Imperial College. I wondered if London was best part of the really as "cool" for an art stopped smiling. So I tried to past five years student in the late 1960s as was. "I can't remember. I

don, I didn't have any was to start with this geo-

When you are working on an existing monument, it is difficult to find ideas which are

never shut and never locked. In those days I had to live an existing monument, it is where there were no trees,

clearly novel

So where does he live "Up the bill," he turned in

his chair and pointed towards the park. In these big Victorian houses, built in the 1860s. I'm on the lowest level, with the garden beyond, which is great. When I bought it, my flat was just a shell, no doors, no woodwork at all, no walls." Ideal for an architect?

Well ... yes, except it has taken me 15 years and I still haven't finished it. My wife occasionally says: 'All right now, we are going to do the next room, aren't we?"

And this from the man who has just finished rebuilding Windsor Castle six months ahead of schedule? "But that's different. When architects work for themselves, they generally very uncomfortable to be judged on your own home. You just don't finish it then nobody can judge

I asked why his style had changed since his days as a modernist with Sir Norman Foster - his recent projects include the classical display of the Crown Jewels in the Tower of London. He said it had not; he was probably what one would call "eclectic", although he disliked that word

"I have always been interested in organic forms. Bones, plants and human figures; those are all natural forms," he said, picking up the chicken from his plate to that region of France than I show me the bone from different angles. The octagonal vestibule in Windsor Castle forms. "I had only done that



patience again and asked pended ceiling (£5.7m). about another project completed by Sidell Gibson before Downes had joined – the controversial, if ornate, ideas which are clearly headquarters of the European Bank for Reconstrucof research. The more out of tion and Development. The bank was established to help smooth the transition of east European countries, but the more than £60m spent on fitting out its headquarters - owed what was an efficient

interesting high-tech sus-

He laughed loudly. "I think I'm probably not going to comment on that."

We were both silent for a few moments as I punched a hole in the cabbage accompanying my duck breast. It turned out to contain len-

He broke the silence: "It furore about that overshadmarble clad and with an piece of work, on time, on budget - and the budget was

comparatively low. The fact that the designers who were working with us on the project managed to get so much dramatic effect is all to their

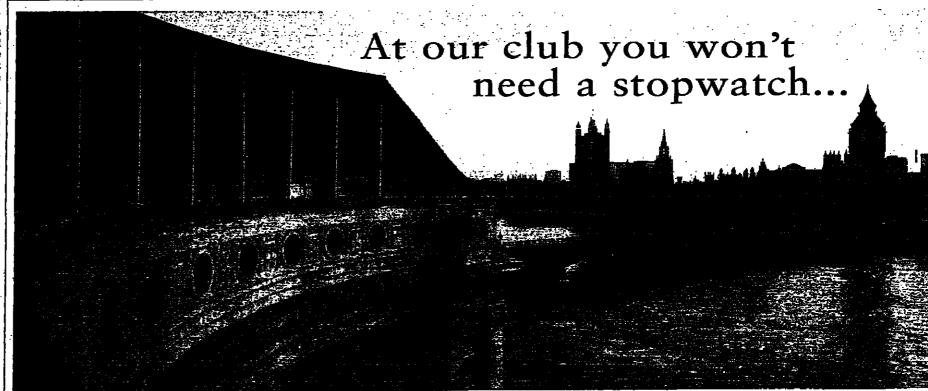
Downes almost certainly did not mean to shift the blame to the French interior design firm, but it nonetheless sounded like it. By the time we got our desserts chocolate tart - and the wine bottle was almost empty, our conversation had would like to mix the shifted to lighter subjects.

Sculpting is one of his hobconsidered it as a possible

then, architecture keeps you involved and ambitious much longer than sculpture. You can make a name as a sculptor at 30; you are very unlikely to do so as an architect until you are in your 40s. Architecture is much more demanding. But 1

best way to build a stone wall is at dusk and when "It was a toss-up. But you are slightly drunk. It really flows. Then you look at it and say: wow, how did I

"With uneven stones that don't lock perfectly on to each other, it's all about putting them the right way round. Somehow, when you're drunk and can't see very well, you do it bet-



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We posted checklists and instructions on the notice board. alongside copies of those telex reports. Our first concern was to prevent an attack: falling that we would do nothing to endanger life. All this served to

instil apprehension in the 24 crew members - but then this is the primary requirement for being vigilant.

Preparations finished, we left Port Kelang in Malaysia. bound for Kaobsiung, Taiwan.

We were well into the night when we passed Horsburgh lighthouse and came out of the Singapore Straits.

The gentle rolling of the ship indicated we were in the South China Sea, infamous for the number and severity of its piracy attacks - from simple armed robbery to hijack, in which the

Misadventure on the high seas

Pirates are still very much at large, as Captain D.S. Bist discovered when he set sail from Malaysia

ship itself is stolen and its crew either massacred or set adrift. Pirates range from shabby pistol-waving thieves to thugs in paramilitary uniform with heavy weapons. We knew the threat was very real now.

At about this time we also reached the "graveyard watch", as the period from midnight to tam is sometimes called. The second mate took over on the bridge. He reviewed the situation: weather fine, sky cloudy, and the traffic still heavy. There were several groups of brightly lit fishing

hoats still out. A row of dark clouds passed over the moon and made its light as unreliable as that of the ship's cook's defective torch. The second mate tested radio communication with the two men on deck-patrol. All was

At about 2.30am my phone rang. It was the second mate: 'Sir, there's a small boat showing on radar about two miles off. It has been with us for some time and I can't see its

I set off: "All right. I'll be there in a minute." When I reached the bridge, second mate had new developments to report. "The boat is coming closer, sir. I have asked for extra men on deck, and

cargo lights over the ship's side are switched on." As the rest of the ship's accommodation was sealed, two men summoned by the second mate came to the bridge on their way to help the deck-patrol, along with the electrician, who

had volunteered to help them. The approaching boat was indistinguishable from the darkness, even with binoculars, and only when it was half a mile away we could see its outline. It was definitely approaching us. "Hello bridge. There's an unlit boat approaching on starboard

bow." So, the deck-patrol could see it, too. The boat was nearly alongside. but because of the high stack of

containers on deck, the crew on

the bridge only had reports from

deck-patrol to go on. These reports came in quick succession. "Bridge. The boat is trying to come alongside starboard shoulder and we are putting water on them with fire hoses. Please ask engine room to increase water pressure . . . They have thrown a grappling

Then relief. "They are going away." There was general jubilation. We had driven them away and it had been so easy.

book . . . Bosun has cut their

rope with a firease."

But we did not know what had really hit us. While the unlit boat had distracted us, another had approached from behind and eight armed men had managed to climb on board. While we celebrated, they moved rapidly towards the accommodation.

The chief engineer awoke startled. He thought he had heard a thud, perhaps outside his living room. He didn't switch the lights on, but raised the blind of the windows to see outside.

Suddenly, pieces of glass fell to his feet and he found himself staring at the sights of a gun.

Open all windows or you die!" We were surprised when the chief engineer entered the bridge. When his escort of two men with assault rifles followed him in, we were astonished. We quickly understood that the prevention part of our plan was over and it was time to switch to the injury and loss avoidance

The crew on deck were replacing their fire hoses and other equipment when the ship's loudspeakers blasted out: "All crew proceed to crew messroom immediately." And to prevent rash acts of heroism, I thought it prudent to make another announcement: "Pirates are on board and they have hostages on the bridge.

Two of the armed men counted the crew as they came to the messroom. They checked their numbers against the crew muster list posted there. When all, apart from those on the bridge, were accounted for, they were locked in.

Next, the ship's safe was opened. It contained only \$450. This paltry sum disgusted the robbers but they took it anyway.

One of them could not hide his anger: "Very poor ship," he said. But what they were really after was being collected by others. Four of the pirates had broken open two containers on deck and were busy carrying our cargo to the side of the ship.

Their work finished, a short exchange of words on their radios brought the two boats alongside our ship again. They threw the cartons of electronic goods taken from our containers into their boats and were gone in minutes.

The only thing left for us to do was to unlock our crew in the messroom and report the attack.

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This drama did not become a tragedy because I decided to put the lives and safety of my crew before all other considerations. Crew members were instructed that our sole aim was prevention - stop pirates from boarding; but if the pirates succeeded, and especially if they took a hostage, crew members were not to offer any resistance.

And to that extent we were successful, our mission accomplished.

The sly lesson taught by Lottoland

Why are lotteries so popular when the odds are so long? Michael Thompson-Noel looks beyond the clichés

otteries are a \$120bn-ayear business worldwide, and everywhere they flourish they succour a number of stock images and assertions - some drawn from life, or at least from a version of reality, others spawned in outer space or on metropolitan newsdesks, which are actually pretty similar.

A favourite stock character from Lottoland is the 63-year-old plasterer or golf club greensman who wins £12m on a lottery and tells the reporters that his life won't change a bit. He'll go to work just as he always has. He'll enjoy a drink with the same group of friends. He and the wife *might* take a holiday, and buy a bigger car. But once they have given some money to their children, they'll stick the rest in the bank where it will be out of to the poor

Another stock character from Lottoland is the bottle-blonde 52lin'. I'm going to shop and screw till I drop. Gucci, Pucci - the works. There isn't a male under (almost) as good as her word.

Just as durable as these two characters are some of the assumptions and assertions that dog any discussion of lotteries, particularly when puritans, economists and newspaper editoriions to the debate about the morality of lotteries.

People like this sometimes know that gambling's global growth of the past 20 years or so lotteries - has been powered by in ways to charm the toffs. governments' keenness to reap trait. Humans love to gamble. The UK's National Lottery is

that US lottery expert Terri La Fleur equates to \$7.75bn. Next biggest: the national lotteries of Spain (\$7bn), Japan (\$6.53bn) and France (\$6.46bn).

Although lotteries are now exceptionally big business, moralisers are seldom able to jettison their fastidious dislike of them. This is partly because of various cliched assumptions and assertions with which they lazily buttress their kill-joy, anti-gambling

> Money means one thing to the rich and quite another

Clichéd assertion No 1 is that year-old barmaid who wins £12m lotteries are a clumsy and iniquiand tells the reporters: "Of tous tax on the poor, because course it will change my life, dar- they raise money from (mainly) poor people and spend it (mostly) on things like opera houses for the benefit of the decadent haute 30 who'll be safe." And proves bourgeoisie and spivvy corporate

It is certainly true that poor people spend much more of their income on lotterles than the well-off, both proportionately and

But the idea that most lottery alists contribute threadbare opin- proceeds are siphoned upwards to pay for the pleasures of the better-off is a travesty. In Britain, for example, only a small fraction of the billions raised by the National Lottery since its launch especially the mushrooming of in November 1994 has been spent

Most of the money has been the golden tax yield that it pro- allocated to community, sporting, duces. What they often don't artistic, charitable, heritage, seem to know is what sociobiolo- environmental and celebrate-thegists know; that gambling is a millennium projects to please us universal and ingrained human all. (Whether they do or not is

something else again.) Clichéd assertion No 2 is that it argues Phillips.

tion of their income on lotteries, given the daunting odds against winning a main prize.

The poor in their ghettoes. sneer some commentators, stand a greater chance of being obliterated by an asteroid than of winning a lottery jackpot. That may be true (it is hard to compare the odds). But it spectacularly misses the point.

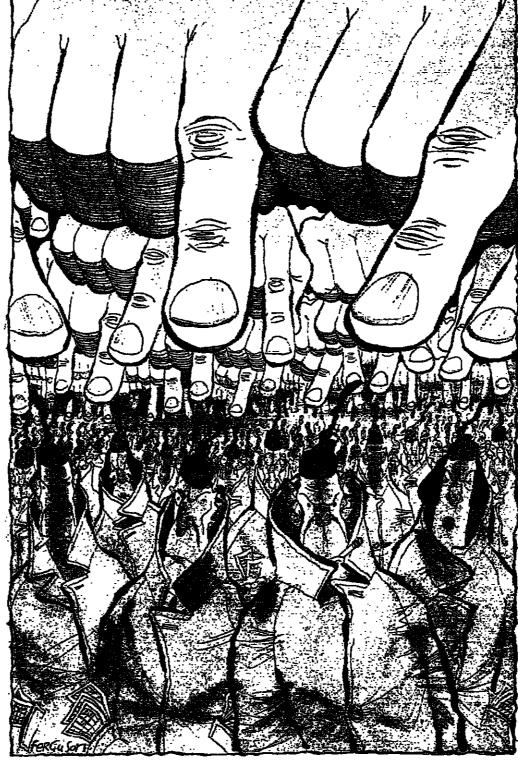
The other day I came across a spirited refutation of these clichéd assertions in a back copy (No 7) of The Baffler, a smallformat American magazine with

big ideas. In an article called "Lotteryville, USA", writer Kim Phillips explained how US lotteries went back to the American colonial period, when they were used to amass funds for the construction of many of the hallmarks of colonial architecture, including the Harvard and Yale campuses, and even for getting supplies to Revo-

lutionary troops. These days, many US states run lotteries. Six of them, led by New York's, are among the 11 biggest lotteries on earth. One, in New Jersey, is among the world's most productive in terms of government profit - that is, the percentage of sales allocated to charity, plus all forms of tax. (The most productive, on this measure, is the UK's.)

Statistically speaking, says Phillips, practically no one ever wins a lottery jackpot. As a result, philosophers of capitalism from Adam Smith to Milton Friedman have long been perturbed by the phenomenon of people playing a game they ought to know they can't win.

"But sneering at [lotteries] as a 'tax on the ignorant', claiming that people who play the lottery are poor fools, deluded and uneducated ... bypasses the possibility that maybe poor people actually have a good understanding of what their life chances are; maybe lottery players are right,"



personal mobility, of how far just by working nine to five." individuals can get in life by working industriously. "The lot- tery is a perfectly rational investtery should make sense to any-ment for anyone facing a lifetime one for whom the answer is of drudgery and uncertainty. The nowhere. Lottery tickets aren't dictums of the economists fail to side. It gets traded in, given like investments in the stock take into account that money market; they are [potentially] means one thing to the rich and tickets to a dramatically different quite another to the poor. the world's biggest, with a turnover (latest figures available) makes no sense for poor people to
over (latest figures available) makes no sense for poor people to
playing per se but the chance of
never be able to save up [for] work right," he says. "It doesn't rance of the poor, he maintains,

In fact, claims Phillips, a lot-

save, it doesn't accumulate, it doesn't invest. For most people, money is simply a means to an end, a way to get food, clothing, shelter and a little TV on the away, stolen and lost." It is elusive and slippery. Phillips goes further. Not only

but they teach a sly lesson. "Reinforcing the message of personal mobility, lottery playing teaches that you're on your

What is additionally interesting, he reckons, is that lotteries sell a vision of a future imagined in terms of an unchangeable class system. The poor donate money to make one of their num ber rich, at which point that person and their new-found wealth pack up and move out. Meantime, the rich "pay nothing for this self-containing system of political quiescence".

I often play the UK lottery. And I know what I am doing: like every other player, I am investing in a fantasy. I want to escape into a sunlit vision of glamour, luxury and unbridledness. In fact, my only criticism of Britain's National Lottery is that the payback rate - the share of turnover returned to players in prize money - is, at approximately 50 per cent, too low.

In my experience, lottery players care little about donating money to "good causes". That is not why they play lotteries. Eventually, I imagine, the international gambling business will attract the attention of hardheaded consumerists, who will demand to know why lottery prize money everywhere is so low in relation to turnover, and suggest that it be pushed higher, to a similarly arbitrary but less mean-spirited 75 per cent, per-

Funnily enough, I almost made good my escape into luxury and unbridledness the other day.

I always hand in my lottery money at a newsagent round the corner which is staffed by droll Asian males. The last time I did so, I asked one of them whether the shop had had any big winners recently.

"Sure it has," he told me, "One of our customers has just won £8.5m. Like you, he fills in some of his lines himself, with his own numbers. For other lines, he marks the 'lucky dip' box." When you mark the lucky dip box, the computer selects your numbers randomly - itself. Experts say this boosts your chances (still exceedingly small) of winning a really big prize.

"He even looks like you," this amusing youth continued. "Tall, well-dressed, cool. A bit of a joker. Beautiful girlfriend. Always very polite. In fact, me and my brothers often confuse the two of you. What I wanted to tell you is that the guy who won £8.5m handed in his card immediately before you. If you'd been half a minute earlier, you'd have won 58.5m. How close can you get, man?'

I opened my mouth, but no

Dimmed by the glory of the past Trading on history has not solved the problem of Egypt's present, writes Mark Huband

built a civilisation. And the left it covered in blood." The lament for the decline of civilisation, by an Egyptologist, is probably as ancient as the time just following the moment when Adam delve

ur grandfathers

The image of a past golden age is a potent weapon in The past is what is in stone.

the armoury of the nostalgic.

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20th century has sought one, formed the image. only to be disappointed. Now, as the century of

experimentation closes, sider the implications of trading on the stones and glories of its past. Aside from those who never felt a part.

have taken to lamenting. others have engaged in a defiant assertion of "national" identity. Far from being the result of the rallying cry of a new breed of inspired politicians, of which country boasts few, the "nation" has all but officially united against the enemy within after the shattering of its image abroad by the killing of 58 foreign tourists by Islamist militants at a temple near Luxor last

November. Since the slaughter, the worst since the Islamists launched their violent campaign in 1992, it has been impossible to obscure the modern reality by reference just created confusion. When to the glory of the past, not least in the eyes of the 3.2m

Golden ages are, of course, to visit in the coming ture, one such being that as as mythical as they are ubiq-months, but many of whom Egyptians we are kind. uitous. Every generation of are now likely to stay away. happy and funny." Egyptians throughout the Six young gunmen trans-

The question for Egyptians has been whether the killers really besmirched an Egypt has been forced to ancient civilisation, or doused with blood a monument from a past of which they and their like have

Meanwhile, the carnage has forced the modern state to come to terms with its failure to both protect its heritage and prove its credibility.
"If you look at the way Egypt's history has been

treated, there's a systematic tendency for one period of rule to routinely destroy the reputation of the rule that preceded it." said Hania Sholkamy, an Egyptian anthropologist with extensive experience of the communities of Upper Egypt, from where many Islamist militants come.

"What has this done to our national character? It has we look at how fake the

Tourism appears to thrive

on the fakeness of this caricature. "Smile: you're in Luxor" says a sign on the way to the Hatshepsut temple, where the killings took place. Why smile? The temple is fabulous. The rocky terrain is dramatic. Beyond,

The 'nation'

has all but officially united against the enemy within

the Valley of the Kings is astounding. But why smile? Why not think of history and culture and human achievement?

"The response to the incident is part of an inability to handle conflict and accept that there are many facets to Egypt," said Sholkamy. "The caricature element is part of how the country is run."

well as the mainstream of attack are a product of Egyptian society. Concerted attempts have been made to strengthen the bankrupt caricature. "Egyptians are so peaceful

and friendly," said Abu el-Magd Omar, general director of the ministry of tourism office in Luxor. It did not appear to occur to him that the killers - all of whom died after the attack - were as Egyptian as he. The caricature is intended

for foreign consumption. As its promotion intensifies in an effort to woo tourists back to the country, Egypt faces heightened tension between the promoters of this image; the muddled and ill-informed dogma of Islamists who draw their own carsecurity has been seriously ancestors.

64,000 people, 20,000 of whom are directly employed in ity while denying aspects of the wonder of the world

Establishment opinion, it is indirectly, is as fragile vital to avoid recognising as the stones to which they that the perpetrators of the guide their "guests" are

But has proximity to Egypt's past grandeur seeped into the consciousness of Luxor's residents? Has familiarity with monuments representing 5,000 years of civilisation, and the obvious value placed on them by the 2m tourists who visit Luxor every year, created a more secure, carica-ture-free sense of identity upon which to build a future

civilisation? "The tourist circuit is cleansed of social elements. Pharaonic-ness is an important source of income. We welcome foreigners to look at it, not because our ancestors built it, but because it's said Sholkamy. The implicaicature from Islam's per- tion is that the foreign tourceived golden age during the ist is not expected to associ-7th century; and a govern- ate modern Egyptians with ment whose ineptitude on the achievements of their

The question now is how The way of life for Luxor's long Egypt can maintain a semblance of political stabiltourist ventures while the its ancient culture a voice in before I go blind."

How long can "civilisation" be confined to business before it becomes a popular aspiration?

The killings at the temple have forced the country to isation, or whether the historical practice of discrediting the past has set it dangerously adrift.

Islamists reject the pharaonic past as heathen. Secularists reject political Islam as medieval. Nasser ites rejected monarchy and promoted Arabism, Sadatism rejected Nasserism and promoted Egypt's pharaonic past as distinct from Arabism.

The Mubarak years have seen neither democracy nor dictatorship, neither dogma nor liberty. The government may yet be forced to open the door to dialogue with the Islamists, perhaps precipitating the emergence of a political pluralism that exists

nowhere in the Arab world. Meanwhile, the tourists may start to come for their own reasons. "I didn't cancel my holiday because I have wanted to come here all my life." said an American Woman as she dined in the near-empty restaurant of Luxor's famed Winter Palace hotel. "I am losing my eyesight, and I wanted to see

have survived the infancy of civ-

Oddly, this is not the moral

drawn by Kirsch. One of his pro-

fessed reasons for for retelling

the tales, is a worthy one: to

undermine the various kinds of

censorship which have hidden or

at least obscured the stories

from us. But he also, in a froth

of rhetoric, claims that these sto-

ries show that "the bible affirms

the essential qualities that make

us human in the first place."

BOOKS

Testament to abuse and incest

Women occupy a highly ambiguous place in the Bible, writes A.C Grayling

lowing tale? A man and his wife, arriving late in a strange town, are offered hospitality by a citizen. A gang of local men assemble at the front door, calling for the stranger to be handed to them for their sexual pleasure. The host begs them to go away; when they refuse he says (and I quote), "I have a virgin daughter here, and the stranger has a woman companion; take them instead, and do whatever you want to them; but leave the stranger alone." The gang accept the offer of the stranger's wife; he hands them to her himself; and the text then reports that

ow edifying is the fol-

host's house, and there died. Judges 19. It is merely the horri- harlotry, and David sending ble beginning of a dreadful tale, in which the woman's husband battle so that they can enjoy saws her corpse into 12 pieces their adultery; but did we know

women are raped and murdered. to him, and "uncover his leet; would not be much Old Testa-You are a fine casuist if you find and he shall tell thee what to ment either. Nor would there be spiritual enlightenment here; a do." When Boaz is thus woken

Jonathan Kirsch retells this and a number of other bible stories to draw attention to the Old Testament's rich panorama of abound. they 'abused her all night, until rape, incest, seduction, fornication morning,' and that she crawled back to the door of the iar with the tale of Lot impregation. nating his daughters, Tamar Bathsheba's husband to die in

Hollywood version would not pass the censors.

Ruth tells him, "spread thy skirt over thy handmaiden," another euphemism. As one reads the Old Testament with Kirsch, uncovered feet and spread skirts

If there is one thing these sexy if Tamar, as she was about to be and occasionally horrific tales tell us, it is that women occupy a highly ambiguous place This is a bible story, found in seducing Judah by pretended in the Old Testament. If Ruth had not seduced Boaz - ancestor via David of Jesus – there would be little Old and no New Testament. If, when God came to mur-

tribes, thereby precipitating a use "feet" as a euphemism for had not stopped him by cutting men, they seduce their father to and do ye to them as is good in war in which scores of thousands "genitals"? Naomi tells Ruth to off her baby's foreskin and of men die and hundreds more go to Boaz as he sleeps, lie next throwing it at God's feet, there

> THE HARLOT BY THE SIDE OF THE ROAD by Jonathan Kirsch Rider £17.99, 378 pages

executed, had not proved Judah's paternity of the twins in her belly - one of them, again, David's ancestor.

Women are often thus the cruthe breaking of taboos. Consider not known man; let me, I pray ming from these tales about him icest texts.

Ruth, ancestress of David, and blind. the Ammonite Naamah, mother of Solomon's heir - they are cru- sionally horrific these tales cial to the history of three reli- might be, they are par for the

women are typically treated as about the behaviour of the Old the merest expendables. When Testament's deity, in whose honthe angels arrive at Lot's house, our all this happens. That intemand the Sodomites clamour at perate, savage, jealous, unreaas the host in the tale above; he blood-thirsty tribal demon is a says, "I pray you, my bretheren,

and sends one to each of Israel's that the bible's coy translators der Moses in his sleep. Zipporah Lot's daughters: lacking other you, bring them out unto you, get pregnant. Their offspring are your eyes; only unto these men the founders of the nations of do nothing." (Genesis 19). Boaz and Ammon, Israel's ene- In this case the girls escape; the mies but - through the Moabite angels' smite the Sodomites

> human course, and therefore do Yet the Old Testament's not leave as bad a taste as those murderer and tyrant on the larg-

However scandalous and occa-Affirms a propensity to savage rape and the like? If so, the bible makes one deplore both its God and humanity together. There are interesting tidbits in Kirsch's book, but it is written as if by and for teenagers, and is full of exceedingly half-baked theology (and feminist theology. the door to have them, Lot does sonable, violent and at that: which does feminism no

credit whatever). Read the bible itself instead: Genesis chapters cial link in sacred history; and do not so wickedly. Behold now, est imagineable scale, and it is 19. 34. 35. 38, Judges 19, Ruth, often too, by sexual trickery and I have two daughters that have amazing that the religions stem-

A tale of greed, servitude and silence

was 30 years ago. I was dinamong others, there was the the historian Dr Eric Wil- members of the Church".

Hugh Thomas fell into conversation with Eric Williams, who in turn sent him a copy of his ground-break-ing Capitalism and Slavery (1949). Hugh Thomas conducted "a swift perusal" of the book which introduced him to "the fascination of the 18th-century Caribbean", role that slavery played in quently devoted "much

Eric Williams's Capitalism and Slavery is probably the most influential book written about the slave trade in a century in which there has been much scholarly and lit- able to us in English. erary production on this subject. The central thesis of the book is that the slave trade did not collapse because of the moral indignation of the European nations, but rather because the trade was no words, the humanitarian zeal which had hitherto been ascribed as the raison d'être for the cessation of trading in human cargo was little more than an afterthought.

Thomas disagrees. Of the abolition he states: "Moral conviction was the determining element". His volume is divided into six "books". It begins with an investigation into the early history of slavery in Roman and Grecian times, and concludes with an overlong account of how Cuba maintained slavery almost into the 20th century. Thomas's examination of the modern slave trade addresses first the Iberian peninsula, as he looks at how the Portuguese and Spanish empires established trading posts in 15th-century West Africa, and then developed the trans-Atlantic slave trade in the early 16th cen-

The effect on the domestic life of Spain and Portugal

n the introduction to bon had a population of his excellently 100,000 of whom 10,000 were researched new book, slaves: similarly by the year Hugh Thomas is both 1565 Seville had a population clear and candid about of 85,000 of whom 6,000 were the origins of his interest in slaves. But this was slavery, the slave trade, "I remember not segregation: "Blacks it as if it were yesterday the might often be mocked in day when I began to be inter- the street, but they mixed ested in the slave trade: it easily, marriage between black and white was not foring in London. At the table, bidden, sexual relations were frequent, and slaves in Prime Minister of Trinidad, Seville were received as full Thomas's account of the

> THE SLAVE TRADE: THE HISTORY OF THE ATLANTIC SLAVE TRADE 1440-1870 by Hugh Thomas · Picador £25, 863 pages

and Portuguese maritime empires, and the anxieties that this occasioned in the Catholic Church, is by far the richest and most detailed examination of this aspect of the slave trade that is avail-

second "book", "The Internationalisation of the Trade" examines how the northern Eurolonger profitable. In other pean Protestant countries rapidly became drawn into the business of slavery. The English and Dutch, in particularly, were quick off the mark, but Thomas quite rightly details the complicity of the so-called "liberal" Scandinavians in the trade. Swedish ships were often "fronted" by Dutch captains and Dutch companies, but the Danes were less squeamish about their involvement, and they profited from slavery for over 200 years.

However, it was the English who, with the founding of the Royal African Company in 1672, soon began to reap the greatest profits from trading in brugh, John Gay, and all the human beings. Sugar, royal family, including the tobacco, coffee and other tropical products, which House of Commons, Black central features of English were all on the lists". social life, and uncomfort-



A print of 1812 showing slaves washing diamonds in Brazil, watched by their white masters

The granting of the asiento in 1713 meant that England now had an exclusive 30-year contract with the Spanish to supply slaves to their vast "new world" empire. A new English company was formed the South Sea Company, and English complicity with the slave trade was an easily-digested "official" fact of life. As Thomas points out, the list of shareholders of the South Sea Company reads like a directory of contemporary

Britain. "Most of the House of Commons (462 members) and 100 members of the House of Lords (out of a total of 200) were included. So were Alexander Pope, Sir John Vanbastards. The speaker of the

Towards the end of the able questions as to their ori- century, voices began to be gins were seldom posed. raised against the slave abolition. Enormous profits were being trade. In 1779 Thomas claims

Liverpool, Bristol and Lon"black boy" in England history of the abolition is to do so without making any don grew at a startling rate. occurred in Liverpool, disturbing. What, however, reference whatsoever to the although he frustratingly provides no textual evidence. Considerable ambiguity surrounded the status of black people in England. Were they to be regarded as slaves or free blacks? Thomas chronicles the various court cases which wrestled with the problem and, as the clamour for the abolition of the slave trade grew in volume so, the voices of black people became increasingly important.

n his examination of the push towards the abolition, however, Thomas makes no reference whatsoever to the extant narratives by black people such as Ignatius Sancho, Ukawsaw Gronniosaw, or Ottobah Cugoano, men who were former slaves and who not only resided in were the natural by-products Rod in the House of Lords, England but took the trouble of the trade, soon became and the Lord Chancellor to write down their stories and played an active and vital role in helping to create the climate which led to the

The omission of these was profound: by 1550 Lis- made, and the slave ports of that the last public sale of a black voices from Thomas's factor in the abolition, and

Fiction/Michael Pollard

Love – when the last defences are down

is unforgivable is the omission of the voice of Olaudah Equiano. Thomas makes a single passing reference to the former slave, whose autobiography was published in 1789 and whose name was quoted on almost every occasion the abolition was debated in the House. Within five years of its publication Equiano's Autobiography ran into eight editions, and from the time of its publication to his premature death in 1801. Equiano wore himself out travelling throughout England and Ireland making hundreds of

speeches against the slave That Thomas would attempt to dismiss Eric Williams's economic argument is not surprising. Others although few have been so bold as to attempt to dismiss the redoubtable Williams in neither had opinions about, the space of a single paragraph. But to claim "moral conviction" (presumably on the part of white Englishmen) to be the determining

considerable efforts of former slaves living in England, is inexcusable. And to appropriate Thomas Clarkson as "the heart and soul of the campaign for the abolition" to the exclusion of other white Englishmen. such as the remarkable Granville Sharpe, is at best exasperating, at worst non-

Hugh Thomas's The Slave

Trade is an epic piece of historical research which both expands and reduces our understanding of the slave trade. He expands it by his faultless research, particularly into the Spanish and Portuguese origins of the modern trade, and in his chronicling of the loathsome details of the actual crossings. But it is presented to us as though the people of Africa and the African diaspora were mute victims who commented on, or were in any way masters of their own destiny. This is patently not the case.

Carvi Phillips sympathies inherent in a

The sins of the past

the present. History's high-est calling was to help mod-ocular fascination was ern states avoid the mis- upheld in an Oxford disputatakes of previous tion in 1600, with Thomas civilisations, and Rome's fall Hobbes stating in 1651 that tling with warnings for the British Empire.

In contrast, modern historical practitioners seek to penetrate the intriguing divest themselves of all modern preoccupations at the in the trial, the authors conarchive door. They attempt demn them outright for both to recapture mentalities of cruelty and credulity. From past cultures without intrud-ing current values or the it is clear that both men advantage of hindsight into scrutinised the evidence, their studies.

Now an emeritus professor of criminology and a local history buff have joined forces to put didacticism lous interventions show his back into historical investigation, aligning themselves with the 19th-century historian Lord Action who believed "historians should be judges, exercising their right to condemn the sins of the past."

They have chosen as their subject one of the most contentious historical cottage industries, witchcraft, focusthe past three centuries that "such a miscarriage of justice is now unlikely".

Two widows, Amy Denny and Rose Cullender, were dren from the small East porting the belief in witches. Anglian fishing town of Lowing the death of an infant. After much harrowing testi-mony from the victims and nations have provided laws their relatives, the women were convicted of witchcraft and hanged a few days later. trial as a combination of Geis and Bunn argue that "it seems important to seek lessons from matters that authors see it as an example involve gross injustice," and further "to determine what of people to rely uncritically of present-day value can be on tainted information to do learned from this sorry affair."

In examining this unjust state killing, as they deem it, tion tainted. Victims and the authors pin the most witnesses reported their blame on the two main experiences faithfully, and authorities at the trial; the no explanation can be propresiding judge was the famous jurist, Sir Matthew Hale, and decisive medical evidence was furnished by the eminent physician and author. Sir Thomas Browne. Hale's reputation, the authors assert, has been "tainted" by this event and Browne's "permanently sullied" by his participation. sions as Hale and Browne. Yet although opinion in the nature of witchcraft, that posterity's enormous Hale and Browne were by no means unusual in accepting its validity.

During the 16th and 17th us. centuries the idea of occult

19th-century histori- intellectual credence to a ans revealed the belief in the power of past as a lesson for witches to affect victims at a especially was seen as bris- the trade of witches was "nearer to a new religion than to a craft or science".

Instead of attempting to using the best philosophical methods and experimental techniques available at the time. Judge Hale's scrupuinsistence on subjecting all

A TRIAL OF WITCHES by Gilbert Geis and Ivan Bunn Routledge £45, 304 pages

testimony to rigorous proof. Similarly, Browne provided a rational diagnosis for ing on a trial held at Bury the bizarre symptoms. St. Edmunds in 1662. The within the framework of conauthors champion its rele-temporary beliefs. The chilvance by wondering aloud dren's swooning fits he prowhether the position of nounced natural, "but only defendants, such as the two heightened to a great excess accused women, has been by the subtlety of the Devil. of these which we term Witches." He even cited a similar case in Denmark as a precedent. In his final direction to the jury. Hale disaccused of bewitching chil- cussed the authority supconcluding he had no doubt estoft and, crucially, of caus- such creatures existed because, not only did Scripagainst such persons.

Rather than viewing the great intelligence applied to a spurious paradigm, the of "the extraordinary ability awful things." The people involved were neither uncritvided to this day as to why children were seen to vomit pins or why one of the witches became covered with burns when a toad was

thrown into the fireplace. Confronted with the same judicious person might have reached the same conclu-Far from being convinced of condescension for the past, warned of by E.P. Thompson, is still very much with

Ann Geneva

t came in handy to have seen the V&A exhibition about Larsson and . Swedish style immediately before reading Tales of the Night. Not that the Larssen's world - a stranger to

his hands.

Rach story is linked - like

potent sequence of stories link, perhaps, is a well-pro-March 1929." They are also concerned with masks, and what lies behind masks, and

behind them Journey into a Dark Heart" sets the tone. Three travellers, thrown into theesy intimacy, are forced

dust - and Hoeg's smokily to confront some pretty a muse - to a different disciunnerving truths about pline. The cleverness is in have much in common. The themselves and each other the blending in distilling the and the masks they have moment when the edges blur been wearing. The message and opposites bleed into one There are eight stories, is that masks have to go, another. "The Verdict on They "are all concerned with Finally, we must acknowl- Horatio Landstad Rasker" love...Love and its condi-edge what we are Some can has a wonderfully funny and tions on the night of 19 manage it - though not the unexpected ending. And "An old Prussian general, who Experiment on the Concan only snort and stump off stancy of Love" shows what in the direction of his old happens when the last how the truth about masks life. The young mathemati- defence is down. Love can is that there is often nothing cian, too, for whom abso-galvanise, sear and - occahute truth had always taken sionally - redeem. And and just keeps running. He the form of numbers," sits where some do not love is clever without being may be because of the ore of - cleaning equipment, and characters have names. The

TALES OF THE NIGHT by Peter Hoeg Harvill £14.99, 308 pages BLINDNESS by José Saramago Harvill £15.99, 309 pages

Hoeg's imagination is dazzling: he scoops up ideas. down and puts his head in enough, others - most dan- self-conscious. He adminisgerously of all - love too ters tiny pristine shocks. beneath the gloom. He pinpoints the divide

senses without ever being pound-word might seem grate. Even when struck swept by a gust of the Zeitpious or recondite. And he conjures pictures to fix christened - somewhat lyri- Finally, one sighted woman the desperate emotions and things in the reader's mind

José Saramago's novel is fully affecting. It develops endless, unseeing light. It is grammatically. Tenses are result they are interned in evil began. This is delibereffect is eerie though - oddly not at all alienating. This

Where a chilling acronym The white evil spreads. have much in the way of

dark, baroque, and power- it leaves them in a limbo of are rarer than radium. organically, rather than dia-horribly infectious, and as a explanation of how the white

liquid, shifting. Nothing is what was formerly an asy- ate. It is also (deliberately) set in concrete, and the lum for the mad. They are maddening the first of many absurdity that gleams they are left to get on with blind do not ask each others' it.

between the intellect and the or grim pharmaceutical com- Society still refuses to intemore apt, the blindness is blind, it goes on not-seeing. geist Beneath the savagery. cally - "the white evil," is left - one woman, two because instead of plunging eyes. They are the last two topian satire has just enough its victims into eternal dark eyes in the world, and they

At no time is there an given food, they are given - games of omniscience Saraas they might be by madmen mago plays (none of the names. They do not seem to

memory of their former

There are Absurdist ech-

oes, deft tronies, and occasional passages of great lyrical beauty. There is - dare one say? - something millennial about *Blindness.* It is ineffable cruelties, this dysblack humour to make it bearable.

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The man behind the urinal

Brian Sewell on the career of the father of conceptualism, Marcel Duchamp

notorious white porcelain urinal bowl on its back and dubbing it a fountain. From this fountain fame flowed as readily as apprentice, a ready-made icon of such influence that it cally dominant than any

THE COMPLETE WORKS OF MARCEL **DUCHAMP** by Arturo Schwarz and Delano

Greenidge Thumes & Hudson £145; two vols of 292 and 708 pages

work by Picasso, Matisse or Braque. First shown in New York in 1917, it is, "eighty years on, of undiminished influence in the art schools of the western world" and bids as long fair to prevail as a presiding force even in the Royal Academy as did the nudes of Michelangelo.

In 1916 Duchamp, his reputation based entirely on his work as a painter, was one of the founders of the Society of Independent Artists in New York, but to its first salon the following year he sent no paintings, for he had begun to challenge the supremacy of oil on canvas and to question the nature of a work of art; instead, with the urinal he asked if it is possible to create a work of art from an object that is not niques, and the abandononly *not* art, but is wholly associated with other purposes, and if it is possible to Duchamp what the Mona answers to be provided by the popular mind all other the reactions of spectators first question, and Charles bare by her Bachelors, Saatchi the second). The Even" (alternatively known society's committee was, by as "The Large Glass") was its own rules, unable to his equivalent of "The Last reject the urinal, but they Supper". The desultory and hid it from view: Duchamp then resigned, and in a disingenuous apologia argued in 1915, and was declared the grounds of immorality or 1926, restored in 1936 (with lic..." This could easily be

arcel plagiarism - but a urinal is Duchamp is no more immoral than a bathtub, and one cannot plagiarise a plumbing accessory. In selecting the urinal he had taken a commonplace object and treated it in such a way that its function had been replaced by an excluwater for the sorcerer's sively intellectual conceit, and in this he was supported by an American critic who argued that the fountain powerful and more stylisti- could not have been achieved by a plumber, but only through the force of an artist's imagination. To those who enquired whether Duchamp were serious or joking the critic replied that he was both at once.

There can be little doubt that this was so with the urinal, for it cannot have escaped Duchamp that an object designed to accommodate the drainage from men's bladders must, transmuted, excite infinitely more interest than a washbasin. which would have served as a fountain just as well, but without the challenging subtext of its conventional purpose. He had already employed as works of art a bicycle wheel (1913), a bottle rack (1914), and a snow shovel (1915) - this last with the title "In advance of the broken Arm", and thus clear none of which had stirred the public to outrage; outprime objective, to be achieved through the free expression of ideas and concept even if this meant the deliberate breakdown of traditional art forms and tech-

ment of painting. works - but one could argue empirical work on this con-



BOOKS

grotesque alterations), and Richard Hamilton in 1965 that Duchamp was happy to sign the replica. It is the creating a work of art - the image that obliterates from unresolved that no one can guess as to its intended finished state. It is the one (Picasso later answered the that "The Bride stripped work that those seeking to understand Duchamp should ignore, for he himself said of it. "I have offered no explanation ... What is intended is of no interest, what is interesting is the effect the fection of plate glass began work has on the spectator... it is nothing to do that they were entitled to definitively unfinished in with me... I have nothing conceal his fountain only on 1923. It was shattered in to say ... it's up to the pub-

the apología of every artist sade to make him a messiah, so immaculately copied by collected by Charles Saatchi. and his apostles number Is it possible to understand Warhol, Johns, Naumann, Duchamp? Born in 1887, the and Wesselmann, Rauschenprecursor of Dada and Surrelargest, most enigmatic and alism, inventor of the ready- Koons, Hamilton, and a host major works, though useful, The fountain is to most unsatisfactory of his made, of the assemblage, of of lesser artists; the works, addressed to no par-mechanical contraptions and Duchampian Renaissance first, smaller, volume is of the long and punning school and gallery, this discursive essays, from the title, and to all intents and radix malorum of contempopurposes the inventor of Pop rary art nurtured by compli-Art, his inspiration ran all ant critics and curators. but dry after the failure of No revolutionary artist. "The Large Glass", and he not even Duchamp, should turned his attention to roulette mostly and chess.

be held responsible for the idiocy of critics - "I threw though there were later the bottle rack and the uriworks. minor and mischie- nal in their faces, and now vous. Not until 1963 was he they admire them for their given a retrospective exhibi- aesthetic beauty" - and tion (in Pasadena, of all Arturo Schwarz must be forplaces), but since then there given for being more poet

sonné are adequate; he has been scrupulous in finding and recording the merest berg, Oldenburg, Cornell, scrap, but his entries on the are not encyclopaedic. The poetry of which the reader must excavate the facts - a Duchampian experience. One chapter is mercifully brief; headed "There is no solution because there is no problem" the text consists of one word - "indeed." Adequately illustrated, though more for identification than to thrill the reader, this is a book for auctioneers and tradesmen, and of no interest to

Country on the road to hell

obscenity Algeria? Vested interests the oil must keep flowing are only part of the explana tion. Official discouragement of foreign camera crews has certainly played its part. Protests by human rights groups have gone, grim inevitabilities; of unheeded; journalists granted access to scenes of atrocities have filed. And what little we do know is

Camus told us about the life of the pied noir poor, Frantz Fanon described the lot of their black counterparts. In his film, The Battle of Algiers, Gillo Pontecorvo showed the heroism from which the present state sprang. Algeria, a land of cruel deeds under a cruel sun, has remained a comfortably distant myth.

No book ever came more perfectly on cue than Martin Stone's The Agony of Algeria, with its mission to explain. Its thesis is that the issues left unresolved after Algeria won independence in 1962 are at the root of its current predicament. By grounding his argument in a tour-d'horizon of two millennia, Stone shows how com-

Since its arrival in the seventh century, Islam bound together a delicate mix of indigenous Berbers and the Arabised population (which included many eth-nic groups). The Berbers were, and still are, a proudly separate minority with their own language and their own sophisticated culture: many converted to Christianity during the French occupation. Algerian Islam traditionally focused on the marabout, the village holy man: it was essentially apolitical, and had nothing in common with today's radical Islam, which is a graft

Stone shows how disgraceful the French occupation was from start to finish, systematically oppressing the ing their mosques into churches, taking their best land, and leaving them impoverished. But since that impoverishment was universal - the old Algerian elite fled to France with the pieds noirs - it did at least mean that the new state was launched without the impediment of a class system.

A class system, however, quickly emerged: the FLN the liberation army became a political old-boys'

week: why has jobs and contracts. Presi-the world reacted dent Ben Bella and his sucso slowly to the cessors ruled by permission in from the army, whose upper echelons became rich and corrupt.

The riots which erupted in the slums in 1988 were the inevitable conclusion. Indeed, this whole book reads like a sequence of well-meaning attempts to clean up town halted by vested interests; of a steady spiral in oppression and revolutionary violence. Stone shows how everything that

happened, had to happen. But he does not excuse the army's fateful intervention in 1992, at the point when the Front Islamique du Salut was poised to win a

THE AGONY OF ALGERIA by Martin Stone Hurst £14.95, 274 pages

democratic election. From that moment on - despit President Zeroual's initially admirable attempts to bring the FIS back into politics the road to hell has been FIS marginalised, the hardline Groups Islamiques Armees - Afghan-trained and well-used to the taste of blood - were just one more inevitability.

Stone's somewhat repetitious book will be essential reading for politicians seeking to grapple with Algeria, but it does not begin to confront the questions now being starkly posed. Why do so many of the massacres take place so close to military bases? Why are the perpetrators neither caught, nor even sought? Is the Algerian government engaged in a massive cover-up? Or is that government now a mere vacuum?.

This deficiency may be excusable in that the book went to press six months ago, but its other limitations are more serious. One has no feeling that Stone spent much time talking to or in their homes; one gets no whiff of the quality of life. The academics, journalists, psychiatrists, actors and singers who have been murdered over the past four years merit only a passing mention: who will speak for their beleaguered colleagues? That is a job which will require more empathy, and a lot more

Michael Church

Comic genius torn 'twixt pen and stage

chley was America's wit and comic brilliance. best-loved humourist. the quintessential New Yorker writer, a film writer and actor, and a radio star. He was John Cleese, Miles Kingston, Frank Muir, and Arthur Marshall all rolled into one. Stephen Leacock thought him "Shakespeare's equal", yet today none of his books is print in Britain. Even in America he is remembered more as a part of the Algonquin Round Table than for his own work. His gentler, empathic humour seems less quotable than the barbed wit of some of the Algonquin's "vicious circle", and the short films, which established his Joe Doakes as America's Everyman and inspired James Thurber's Walter Mitty, are no longer part of the cultural currency. A major biography

has been long overdue. Yet if Benchley were reviewing this workmanlike effort, he'd probably shudder and say "it's so worthy anyone would think I was dead." paths, torn between the high He would, however, apprecialife of the city and his family ate the generous excerpts in the suburbs, torn between

Benchley's life balances on the fulcrum of his first drink, in 1920, aged 81. Formerly teetotal and an enthusiastic supporter of prohibi-

GENTLE SOUL: THE LIFE OF ROBERT BENCHLEY by Billy Altman Norton £22.50, 382 pages

tion, the vibrancy of speakeasies seduced him. He soon made up for lost time. "Don't you know drinking is a slow death?" asked Scott Fitzgerald. "Who's in a hurry?" replied Benchley. He died of cirrhosis in 1945.

Drink is just one of the many Benchley contradictions which Altman details for us. He never tries to conjure a picture of Benchley's New York world, nor of Hollywood in the 1930s and '40s. Rather, Altman traces Benchley's constantly diverging

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n the first half of this from his writing, which have the literary world of New century, Robert Ben-lost none of their perceptive. York and the fantasy world of Hollywood. The chasm widened as he spent more time in California while his family stayed in Scarsdale. But we never really learn what anyone actually felt. Did his family resent his LAUGHTER'S absence? We can guess that Benchley may have trying to avoid emulating his depend-

> Benchley actually made his earliest reputation as a public speaker. Despite the success of his theatre reviews and his essays on everyday city life which set the tone for The New Yorker, it was his stage performance of a bumbling treasurer which set him on the road to Hollywood.

able and henpecked father,

but we never know.

The Treasurer's Report (1928) was the first continuous sound picture made by any studio. Benchley followed it with The Sex Life of the Polyp, and spent the rest of his life torn. "I am not a writer, and not an actor," he complained.

Benchley's best-remembered line, "get out of that wet suit and into a dry martini", comes from a movie, and was actually borrowed from his drinking buddy, actor Charles Butterworth. His own original follow-up. "I'd offer you a whiskey sour, but that would mean thinking up a new joke," is a metaphor for the downhill side of his writing career. Today writers like Bill Bryson make a living insisting Americans have no sense of irony. Robert Benchley

might argue that one. Michael Carlson sockets so that all the thera-selves".

he idea that children can be psychotic is an uncomfortable one. We like to see childhood as a place of innocence, and to regard all infant fantasy as harmless play. But a significant minority of children do exhibit symptoms of psychosis: immersed in bizarre delusory worlds, or besieged by terror and confusion, they fail to respond intelligibly to ordinary signals and demands and, intentionally or otherwise, wreak havoc on those who care for them. One such child christened them the "collapstis"; another explained that for her to stay sane was as difficult as winning an Olympic gold medal. This book of essays and case studies from the Tavistock Clinic is a cou-

rageous attempt to throw light on their shadowy inner worlds. Take Samuel, for example, the product of an unwanted pregnancy, whose mother the bath to make her skin was convinced she would have a brain-damaged child and returned to work one week after his birth. Samuel didn't talk till three or walk till four. His great fear was ghosts, who (he felt) wanted to eat him, and he developed a special "burp voice" to repel them. Dead babies obsessed him, too; he felt responsible for killing them. Often he would camp under

order to feel safe. Or there is Holly, whose mother had wanted her very much but, after a disastrous delivery and post-natal depression, came to hate her. Holly talked in a flood of words, many of them inventions of her own. She always carried small objects with her, calling them her protectors: without them she was afraid she would melt. She liked to imagine taking her

furniture and blankets in

has been something of cru- than art historian. The bare the general public. Why children wreak havoc Blake Morrison on a brave attempt to shed light on the bizarre, illusory worlds of young psychotics

> darkness like her own. Her psychoses are also sadly words, too, were meant to batter any listener into the madness she experienced herself. Many other disturbed chil-

dren haunt these pages: Jonathan, who tries to get into the television to cut off the head of the other boy there; Jeremy, who speaks in the voice of a little professor and who thinks it rains inside the house as well as outside; Mary, who is black, and used to wash herself for hours in white; Jennifer, who won't do poos, for fear of the consequences ("My insides will fall out, my heart and bones. I might die."). At times they sound like a race of exotics, and a couple of Oliver Sacks like essay titles here do little to dispel that impression: "A Little Boy Who Did Not Want to Learn Anything",

"Jeremy and the Bitten But the reasons they behave as they do are invariably comprehensible. By "splitting" into separate selves, or asserting omnipotence, or narcissistically withdrawing, they protect themselves from the pain and trauma that threaten to overwhelm them. As the blinded Gloucester puts it in

King Lear: "So should my thoughts be sever'd from my griefs | And woes by wrong imaginations therapist's eyes from their lose | The knowledge of themcommonplace. Maternal neglect is one recurrent theme, sexual abuse another.

The most severe cases are not the hyperactive ones but those of shell-like autism. where the children seem to possess only the dimmest sense of being a person at all, let alone a sense of time

PSYCHOTIC STATES IN CHILDREN edited by Margaret Rustin, Maria Rhode, and Alex and Helene Dubinsky Duckworth £12.95, 224 pages

or place or gender. They are form waiting for content, disparate bits of matter needing to assemble themselves into a whole. Often, they're acutely sensitive, finding all light too bright, all sound too noisy, all memory oppressive. Many, when they do begin to respond to therapy, articulate anxieties about falling, liquefying, exploding or disappearing by diving into someone else's eyes. Crucial to their recovery is a sense of "becoming vertebrate", a phrase used by Anne Alvarez in her excellent book about autism, Live Company.

Many of us have little notion of how therapists work with children, and this makes the detailed accounts of therapy sessions here Yvonne who tells me she intervention that will help.

The deeper roots of these especially fascinating. I suppose I vaguely knew that, whereas adults on a couch are encouraged to explore their feelings and memories. children in therapy are invited to play - with toys, Plasticine, crayons, water or

whatever the therapist has

to hand. But I had certainly never realised the extent to which therapists interpret children's actions out loud to them, even as they are being performed. The discourse that ensues can sound deeply weird. For example, Lynda Miller recalls a conversation with a sexually abused seven-year-old expelled from primary school for uncontrollable sexualised behaviour:

"She came close to me for a few seconds and showed me her stomach, saying she had a 'rash'. I said that Yvonne wants me to know this sexy stuff isn't good for children, but she feels that it goes on and on inside her and comes out on her skin – it fills the room, spills out in floods - all over me (she was 'sucked' the water from the tap and spat it out repeat-

wants a drink but wants to make more and more weemess everywhere. She isn't going to let me be a therapymummy who can feed the baby Yvonne."

This may be brilliantly insightful, or it may, to an already abused child, be a form of mental battering, it's no surprise to read that Yvonne often screamed to shut out her therapist's voice. Reading the book, you can't help wondering whether kindness, attentiveness and silent approbation (which are here too) aren't worth more than noisy interpretation. But most of the children do come out of their shells. Even when the therapy doesn't deserve to work (as with the crasser Freudians and Kleinians here, who interpret every stick shape as a penis and every circle as a breast), it seems to. The child's feelings about the therapist - "transfer-

ence" as it's called - is an essential part of the healing process. Sometimes therahated adult of the past, and subjected to vengeful attacks; sometimes they are clung to as impossibly idealised love objects; almost always, a holiday or break in routine, or the child's fear that therapy may end, will

cause panic and distress. For therapists, it is a huge burden of responsibility. A few of them fail the test by approaching their cases no floods - all over me (she was cult texts ripe for literary splashing me) . She critical elucidation. But most here are both sensitive and deeply knowledgeable, not edly, laughing. I said that least Margaret Rustin, who there is a little Yvonne who ends the book on a cautionwants to have milk from a ary but optimistic note. It is therapy-mummy Mrs Miller, natural, she says, for parents but she shows me that it to hope that psychotic and changes into wee in her autistic children can be left mouth and I become the to "grow out of it". But all sexy lady who tricks her, the evidence suggests that and she is the little tricky on the contrary, it is early

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To an application

Iconic stares and ironical blankness

William Packer reviews the work of Alex Katz

Born in Brooklyn, he studied in New York in the late 1940s and, as a young artist in the 1950s, moved in the orbit of the Abstract Expressionists, who then had the art world at their feet - Pollock, Rothko, de Kooning, Kline, Guston and the rest. He was no Abstract painter himself, let alone an Expressionist, but the influence and debate were of fundamental importance to him in fident gesture. confirming his own contrary

If there is an affinity, it would be to the Pop Art that for specific strokes. And the emerged in America as brushes are laid out. When I counter to Abstraction, and to such artists as Warhol, Rosenouist and Wesselman in particular. From Warhol. one might think, comes the blank, ambiguous presence of face or figure, and Katz's ironical emotional detach- that's an eight-foot line ment. From Rosenquist you're making, so you have comes, perhaps, the loose, to have a lot of control." free-wheeling quality of paint and surface, that one finds in the work of billboard artist or scenerypainter, a flatness not as flat as it looks. And from Wesselman would have come both that open sensuality of colour and a more ambiguous, sed sexiness in the imagery. And in his turn Katz may have influenced

But the truth is that he has always been his own man. By the end of the 1950s he was already fixed in the and headscarf, a woman personal, mannered quality walks, impassive, through of his painting, with its flat, the rain. And in all of them open surfaces, clean, unmodulated colour and simple, allusive, stylised drawing that he has stuck to ever since. Yet of all the established artists of his generation, with an enormous number of exhibitions in the US to his credit, Katz has least in reputation. This show at the Saatchi Gallery is his first major outing in London in eight years, and only his third in the 25 years it covers. It is an intriguing mixture, and surprising in the variety of its subjectmatter, since we have seen so little of it here - and vet it is quite as consistent as expected in approach, tech-

nique and general feel. The canvases are for the most part huge, taking wonderful advantage of the vast

always been Katz's habit to

lex Katz is now 70. amplify the image from the first tiny, rapid sketch or study to the largest scale, of which process the characteristic blankness is a natural function. But this very amplification, especially with the recent, impressive tree-scapes, also re-emphasises its peculiar quality of painted scenery - painting, that is to say, worked from the shoulder with the full sweep of the arm, laid direct on the surface with one con-

"The colours are pre mixed", he tells us, and "I have to get specific brushes have to do a branch I have a specific brush that will do that branch. And the strokes, it's a wet-in-wet procedure... And you have to have a brush with the right amount of paint on it. And

he figure compositions tend to be more contained, more passive and considered, with the artist keeping his distance, uninvolved in the narrative he proposes. Earnest, extravagantly coiffed executives confer: friends sit silent younger painters, such as together on the beach: young David Salle or Eric Fischl. men and women, immaculate in their summer clothes. wait quietly for a game to start: under her umbrella the drawing remains disarmingly off-hand and light in

its reductive simplicity. Katz speaks of the impor tance to him of the gestures he visits upon his figures. though they be little more half-smile, a turn of the remained oddly parochial, at head, "I am very conscious of trying to make gestures very clear ... When I saw the David with the three swords ("The Oath of the Horatii") I thought of three guys with cigarette lighters and a woman with a cigarette . . . And I think Piero is like David, making clear gestures that communicate." He speaks, too, of Rubens, Veronese, and the Baroque in general. He also brings in Manet. Monet. We begin to

be confused.



comic illustration, though of fected kind. But below there lie other, more complex ref-The truth is simpler, his erences, intuitively felt or art-history something of a perhaps only half-acknowl-

smoke-screen. Rather there edged, hints of the narrative is to his work an obvious cycles of Giotto, for example, and inescapable quality of or of Egyptian tomb-painting. It is in the character of Watteau, and Rembrandt, a straight-forward and unaf- what he calls "the static quality in a gesture" which brings us back to that iconic stare and ironical blankness. Katz is no realist,

no pop-artist, no commenta-

Alex Katz - 25 years of tor on any art but his own, which is his sole reference. He is simply the painter of the modern conversation piece, cool, quizzical, and sophisticated for all his talk. There is no-one quite like

painting: The Saatchi Gallery, 98a Boundary Road. London NW8 until April 12: open Thursdays to Sundays 12-6pm, or by appointment (0171 624 8299). Sponsored by Taittinger Champagne.

Television/Christopher Dunkley

Comic tastes stay constant

content of the latest series of Heroes Of Comedy 010. Channel 4 (Benny Hill last Monday, Peter Cook next week, then Arthur Askey and Tony Hancock), there seems to be something a bit odd about David Liddiment's

eginning of this week on television comedy. As director of programmes for ITV he was announcing. with chief executive Richard Eyre, the scheme which they hope will stop the steady

This fall might seem unremarkable, given the continual opening of new channels, but for the fact that the RBC has withstood the new competition better. sitcoms which can be watched by the whole family and command respect are almost extinct. Three of last year's ITV comedies - Faith In The Future, Blind Men and Holding The Baby attracted, on average, only 5.9m viewers per episode. some of the smallest audiences on record for peaktime comedies. Yet the repeats of old BBC hits (the most notable was probably Are You Being Served?) managed 9m or more.

According to Liddiment all channels have struggled to create new comedies for screening before the 9.00pm watershed which were as funny as Dad's Army, Are You Being Served, Steptoe And Son and so on, but unsuccessfully. Did he then go on to say, "So we have decided to drop political correctness, feminism, laddishness and four-letter words and get back to the sort of comedy that most British viewers have always liked and obviously still like"? He did not. Instead he promised to foster the talents of people such as Frank Skinner and David Baddiel, notable for laddishness and, always in their live acts and sometimes on televisio four-letter words

How can people such as Liddiment be in any doubt about what most British viewers like in the way of comedy? Britain's most successful comedian from the television age has been Benny Hill. In this week's Heroes of Comedy, producer John Fisher showed that Hill had some brilliant visual concepts, such as the stripping skeleton, which combined the attractions of Gypsy Rose Lee with the Black Theatre of Prague. But the programme left no doubt that Hill's chief asset was his schoolboyishness, a quality which, for some of us, meant the snigger rather than the belly laugh, the sly insinuation rather than the

bold statement. Yet vast numbers of people clearly adored his programmes. They were hugely successful, not only

in the UK but around the world, and were suddenly dropped by Thames TV in 1989 when they were still getting audiences of 9m and more. The wives of certain top Thames executives were said to consider Hill (and the screening of the Miss World contest, which was also scrapped) "sexist".

Television might find its way back to winning big medy audiences if, instead of contracting to make yet more series about man-hating flat sharers, the commissioning editors were to sit down and watch the next three Heroes of Comedy They would discover that even Peter Cook - of *Private* Eye, Beyond The Fringe and the Establishment Club created material for television which was bang in the middle of the mainstream of the British comedy tradition. Tony Hancock's material was often far more weird than Cook's, though the attitudes underlying it were deeply conventional. As for Askey, he was the epitome of British tastes in humour. He was at his best in pantomime, the only form of live drama which pulls large numbers of Britons into the theatres once a year.

hese excellent one-hour programmes do not pretend to be anything but tributes. Cook's drinking and ennui are acknowledged, as were Hill's peculiar character traits concerning money and (in no great detail, admittedly) women. But the strength of the series lies in the fact that it pulls together such rich mixtures of the best examples of the work of these comedians. From Cook you get the wickedly funny sketch from Beyond The Fringe in which the RAF requires Perkins to make a useless gesture, the "unidexter" audition for Tarzan, a bloody Greta Garbo stark naked hanging from the window-sill, the bottoms following you round the art gallery, and much more. With Askey not his cinema films but, surprisingly, filmed skits from his radio series, Band

Anyone who has followed Heroes Of Comedy from the beginning, watching the programmes on Max Miller. Joyce Grenfell, Tommy Cooper and others, and who has noticed the continued success of Dad's Army and Are You Being Served? with new generations, must surely realise by now that British tastes in comedy do not change very much or very quickly. Of course you can get an andience of sorts by making series which er at men or apo American political correctness. But you will get a much bigger one if you stick to comedy as it was known to Chaucer, Shakespeare, and Eric Morecambe.

unday means Med by definition is as wide as what the media themselves are covering. Needless to say, this consistently excellent programme is for the chop in the new schedules. No wonder last Sunday's edition dealt with dumbing-down and the tabloidisation of the media. How apt, now that Radio 3's music content has turned into Classic FM with its (in the cheapest sense) journalistic approach to the lives and loves, splendeurs et misères of struggling Schutz, Bonn bombshell Beethoven the deaf dynamo, fatty "foureyes" Franzi Schubert and love 'em and leave 'em Liszt.

they will. Meanwhile Joan Bakewell TE and Richard Baker are back. the bland leading the bland. She politely feeds the likes Pe of Joan Sutherland and Nevas ille Marriner such probing questions as whether they ch are hard workers and adds pa admiring comments on their m' talent. He now sounds perfunctory, stale and mechanical, borne out not just by Radio 3's Sound Stories ("the

Not all these have come to

pass, but they will, listeners,

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otl ROWLAND NILDER PPRI & Pa Anthony Flemming until 30 Jan. Duncan Campbell, 15 Thackeray St. W8 5171-937 8885

Radio/Martin Hoyle Style rather than content

stories behind 1,000 years of great music", to quote the Reader's Digest-like blurb). but also by a new Radio 4 series. In the first of The Musical Directors Baker rattled through perfunctory conversation with Sir Peter Hall as if the producer had told him to get it over as fast as possible. Baker's uninterested grunts constantly interrupted the most interesting man in British culture, even counting Chris Smith, before mechanically delivering the next prepared lacklustre question. Hall's range of reference and refusal to patronise still made this a product superior to much of what Radio 3

Still, Radio 3's controverstal Centurions is promising. The opening programme on Kafka's Meiamorphosis reassuringly gave us transatlanwith a less hackneyed subthen it is not a music pro-

Radio 3 was quick off the mark with Lewis Carroll's centenary. Last Sunday's feature on Sylvie and Bruno revealed an extraordinarily modern work, stories in three simultaneous worlds. The fantasy sounded better than Carroll's conventional material. His idea of flirtatious conversation between witty young things - on the nature of the sabbath - confirmed theories about some emotional block in his own

adio 4's dumbingdown is sometimes a matter of style rather than substance. God on the Couch is meant to be about religion but emerges as psycho-babble presented with an accent that at first seemed less mid-Atlantic than bi-littoral. owing as much to estuary tic academic tones in case it English as to another eastwas all too European for the ern seaboard. By the second BBC. The second pro- instalment Aric Sigman (for gramme, on the photogra- it is he, and yes, you may pher André Kertesz, was well ask) had plumped for more interesting for dealing American and was aided in his clarification of our psyject. This augurs well; but chological need for religion

nest American lady profes-sor apparently called Beverley Wipple, or possibly Nipple, and the Bishop of Maidstone. I await the latest imported craze: WWJD lockets and insignia, standing for "what would Jesus do?", a sort of spiritual chastity belt much in vogue with the devout youth of the new world

Another American aca-

demic was enlightening and

provocative in the first of Bewond the Millennium: in this case a military expert sing the possibilities of war in the next century. Not only was he fascinating in the suggested scope of motive and method (smart weapons could be genetically targeted against certain skin or hair colouring, a mini-nuclear war could be a salutary inoculation against the fullsized thing) but he was actually cautiously optimistic. The item held your attention because it was free of funny sound-effects, blasts of music and zonked-out presenters. It was that old-fashioned thing. an excellent interview, here with the excellent Sheena McDonald.

The Americans were over here in force this week with Kennedy's Secret Tapes. Britain has countered with Empire. The former concludes next week, the latter has three programmes to go. Both are triumphs, of which more next week. If Radio 3 is now background for hooverchological need for religion ing, Radio 4 for all the shad-(lots of it to do with sex) by ows on the horizon, reminds edged justice (with John-the "Kegelstatt" Trio, no less ing, Radio 4, for all the shad-

liss, more or less, at the Wigmore Hall Mozart concerts by the superlative London String Quartet and the planist Stephen Kovacevich. and two more - of Schubert and Mahler - by distinguished but quite different

solo voices. sold out was by the German-Canadian tenor Michael Schade (accompanied by Graham Johnson, which is already a significant accolade). He is a relative newcomer, known here chiefly through his recent recordings with John Eliot Gardiner et al: Bach. Havdn. Mozart, even Wagner and Verdi. Here, though, he sang only Schubert, in beautifully etched style. The Schade voice is a true

high tenor; white-ish and sweetish, often with the ring of an innocent treble, but capable of surprising masculine force. As his Wednesday recital went on - 17 songs. mostly early, with no interval - we discovered a sunny. even chirpy personality behind his immaculate diction, projection and musicianship. That came into play wherever a song needed it; elsewhere it receded in favour of a shapely, ultra-el-

egant line. Early Schubert - spring, maidens, raptures and griefs - was perfect for him, and son's sensitive partnering). than to the immortal clari-

Music in London/David Murray Songs, strings and wind

The few later songs exposed The only one that wasn't the real metal in his voice, old out was by the German-which surfaced only at the right places, but to formidable effect. His combination of easy, lucid German with an exact sense of period-musical constraints, and yet a friendly North American openness too, amounts to a great and very welcome virtue in this cut-glass reper-

> ichael Collins, a great clarinettist, organised the London Winds' concerts which presented all of Mozart's best music for small ensembles with winds. Since the London Winds soloists are all from the Nash Ensemble and/or the London Sinfonietta, not much needs to be

Philippa Davies' liquid, gurgling tone made the first flute quartet sexy, Gareth Hulse was pawky and witty in the oboe quartet, Richard Watkins brightly virtuosic in the born quintet and also in the great piano-and-wind quintet, K452. Collins him-

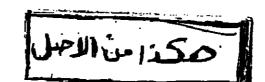
Quartet were always creative partners; and at the piano, which usually sounds flat and disappointing in Mozart's late pieces for glass harmonica, Kovacevich drew magically blurred, evocative sounds from his instrument. On Monday the American baritone Thomas Hampson sang most of Mahler's Wunderhorn songs, urgently partnered by Wolfram Rieger at the piano. It was a memorable occasion: the clarion Hampson voice sensational and grandly dominearing,

Rieger competing hard with

his agonised plano-parts. It was certainly an experience. Not so much an experience of Mahler, however, as of Hampson's near-Expressionist responses to these mostly early, folksy-but-subtle songs. By his second half, which crammed most of the death-haunted songs together, Expressionism had quite taken over. The songs grew ever slower, their lilt and their rhythm often lost. while Hampson howled like dramatic effect, but wrecking Mahler's delicate balance between temperate popular forms and blacker, more desperate feeling. It wasn't Mahler, but a vio-

lent "interpretation" of him that created its own special effects. One of these days, Hampson will make a magnificent, heart-tearing Wozzeck - but Mahler's Wunderhorn sones are not the right stuff to try it out on.





Inspired by the sound of Bach

Michael Church talks to cellist Yo-Yo Ma about his latest venture - into film

Yo-Yo Ma has also recorded the soundtracks for the films The Tango Lesson and Seven Years in Tibet. If that sounds promiscuous, consider the stunt he is about to unveil: six films by six different directors, where he will form the link. What has a modern medical thriller got to do with kabuki, or 18th-century prisons with contemporary pleasure-parks? Nothing - until they are linked by

the thread of Bach's cello suites. Where did Ma get this idea? He blinks, then launches into hectic free-association. He was asked to play at a symposium for doctors and social workers, which led him to reread the writings of Albert to fuse musical and social action". He had been grappling with the problem of defining what music is: "Is it a matter of shapes, images, ideas, or memories?"; and of how we perceive it: "Through the neuro-muscular system, or through the emotions? Each is a way of getting into it, and each is valuable. But

over the possibility of collaborating with the choreographer Mark Morris, with the skaters Torvill and Dean, and with the kabuki actor Tamasaburo Bando.

One thing led to another and. two years later, the six films collectively called Yo Yo Ma: Inspired by Bach - are about to be screened. And what a heterogeneous bunch they are. His first thought for a connecting link was Shostakovich. "But Bach is universal. His universe is so wide and his empathy tremendous - sacred and secular - I've played the same suite at friends' weddings and friends' funerals. It had to be him." Ergo, one film each for the unaccompanied suites.

The least successful films are those in which he has had least to do, beyond sitting down and sim-ply playing. The Canadian-Armenian director Atom Egoyan has wrapped him up in a convoluted but uninvolving mystery. "Not my idea," says the cellist disarmingly. Nor did Ma have anything to do with the script of the final film, in which Bach (played by a brash

Meanwhile, he had been mulling ject of a singularly inept biography. "I wouldn't have done it that way, but the essence of collaboration is that no one person has control."

> On the other hand, Ma's collaboration with director François Girard (the maker of 32 Short Films About Glenn Gould) is a stunning piece of work. Entitled The Sound of the Carceri, this places the cellist in a virtual landscape created by computer from Piranesi's prisondrawings. Amid the louring vastness of the dungeons, Ma cuts an ant-like figure, but his music soars majestically. This film is an essay on music and architecture, an exploration, "in a venue which does not exist", of acoustics. Ma explains, "I spend the day before a concert walking round the hall, and adjusting the furniture. Moving a chair or piano a few inches can make or break a performance."

> Devotees of Mark Morris will love the film in which his company translate the tumbling opening of Bach's third suite into a communal lemming-rush. Those who can't take Morris's landmark narcissism will find it irritating. But Ma's col-

"This is work," says Ma, "which emerges from the depths of despair, and involves layers of loss, mourning, and reconciliation." The resulting film - about fathers and sons, and sexual ambiguity - is a perfect amalgam of music and gesture. Watching it, you would never guess that polio left Bando with one leg shorter than the other, so gracefully flowing is his movement. But you do sense that this is the work into which Ma most fully. puts his own story - a fact he

readily corroborates.

"This music was a work my father loved, which I played to him as he lay dying in hospital. He had been a violinist, he was a musicologist, and an amazing scholar. I don't have his intellect, but I do have some of his idealism." But emulating his father was not initially on Ma's agenda. "I practised my cello efficiently, but I didn't love it: it was only after working in the Kalahari, and studying the world from an anthropological point of view, that I could finally put it all together and say, 'Now I understand'. I saw that performing is not a matter of proving but shar-

connections." And the connections made in the opening film of the series, The Music Garden, are of a directly practical nature, as residents of Toronto are discovering. A precinct is emerging on land by the river where music and dance will be the order of the day. This utopian dream was originally planned for Boston, but foundered there for lack of funds, so Toronto picked up the pieces. This film is by turns naive, pretentious, and endearing; Ma's designer-collaborator, Julie Moir Messervy, seems to think the world duty-bound to indulge her

But the cellist himself is realistic. "Okay, I'll play there every so often, but the community's got to make it work. There's a school nearby, and a ballet company, and a conservatory. If those people take it on, it will live." It opens in Sep-

The films are to be screened at the National Film Theatre in London on January 27 and 31; they will be broadcast on BBC2 from February 7. Yo-Yo Ma plays at the Wigmore



Yo-Yo Ma: 'Bach is universal ... I've played the same suite at is' weddings and friends' funerals . . . It had to be him'

Exhibitions in 1998/Susan Moore

Treasure troves and artefacts

Thessaloniki, museums and gal- the hands of Negroli and his Milanleries intend to wow the public ese workshop from 1530 to '50, with more extravaganzas of early parade armour was transformed Christian works of art during 1998.

The Grand Palais in Paris promises the most dazzling offering: Art cal heroes, Paintings, drawings and at the Time of the Accursed Kings: Philip the Fair and his Sons ber 6-January 31, 1999). 1285-1328 (March 21-June 30). The reigns of St Louis and Philip IV Europe, and the art of ivory carving flourished. On view are sculpture, stained glass, manuscripts, seals, coins, textiles and all manner of *objets d'art.*

Vatican Treasures at the Cleveland Museum of Art offers just 39 outstanding objects, ranging from the gem-encrusted silver-gilt cross of Justin II. a gift of the Byzantine Emperor to the Pope in the 6th century and the sumptuously illuminated Christmas Missal of Alexander VL to the finest surviving suite of Renaissance liturgical garments and altar cloths, intricately woven in gold, silver and coloured silk threads with scenes of Christ's Ministry and Passion. Last but by no means least comes Caravaggio's nearly 10ft high "Entombment of Christ" (February 8-April 12).

More contentious treasure-trove is to be found at the Hermitage in May. The museum stages an exhibition devoted to the German merchant and amateur archaeologist Heinrich Schliemann, who made a fortune in St Petersburg and spent it excavating the site of the ancient city of Troy. In 1873 he made what he described as "the greatest discovery of our age", what he believed to be King Priam's treasure. His collection was presented to the German nation, but was appropriated in 1945 by the Russian Army's Trophy Brigade, and its fate remained unknown until recently. The gold - though some believe it all fakes - is in the Pushkin: the ceramics and bronzes are in the Hermitage, and the latter go on show for the first time since

In Moscow, meanwhile, at the Treasures from the Tower, highlights from the collection of the Royal Armouries in London (until mid May). In June, the Kremlin

fter the phenomenal Tower of London. Later in the success of the New year, the Metropolitan Museum in York Met's Byzantium New York presents Heroic Armour show and the treasures of the Italian Renaissance: Filippo from Mount Athos at Negroti and his Contemporaries. In into spectacular relief sculpture inspired by the deeds of the classiprints complement the show (Octo-

China: 5,000 Years must be the period between the end of the most ambitious show of the year, at New York's Guggenheim was one of the most brilliant of Museum (February 6-June 3) and French Gothic art. Under the Guggenheim SoHo (January 29patronage and control of Philip the May 25). A reflection of America's Fair. Paris became the centre of current passion for Chinese antiqthe goldsmiths' jewellery and uities and interest in its contempoenamel trade in early-14th century rary art, the show brings us everything from Neolithic jades and archaic ritual bronzes to Han and Tang pottery tomb figures and Buddhist sculpture to Song, Ming and Qing porcelains, scroll painting and calligraphy.

> or those who missed the blockbuster Chinese Imperial Treasures from the National Palace Museum in Tanei the show now comes to the Grand Palais (October 6-January 11, 1999). When in New York, it drew an average 8,000 visitors a day. On a more modest scale, the Percival David Foundation in London offers Rare Marks on Chinese Ceramics (October 1-March 31, 1999); the Fitzwilliam in Cambridge, The Lost Century: Japanese Arita Porcelain 1720-1820, a show of some 350 pieces from western collections presented in the light of new research in Japan (January 20-April 5, Royal Museum of Scotland, April-July).

In terms of western ceramics. London's Royal Academy offers us Picasso: Sculptor and Painter in Clay. September 17-January 1, 1999. This will be the first exhibition devoted to this near-neglected aspect of the artist's work, presented with paintings, sculpture and prints to demonstrate the cross-fertilisation of ideas between different

British Delft from Colonial Williamsburg, the world's second largest holding of these highly decorative earthenwares, charts their manufacture, purchase and use in England and colonial America. Wadsworth Athenium (February Kremlin State Armoury, there is 8-April 5). 3,000 years - everything from models of gods and hippos to cosmetic boxes - are promised in Ancient Egyptian Faience. This international loan show opens at reciprocates with over 100 of its the Cleveland Museum (May 10finest objects, destined for the July 5) and travels to the Rhode



A sumptuously illuminated page from Pope Alexander VI's Christmas Missal, which is one of the 39 outstanding objects from the 'Vatican Treasures' exhibition arriving at the Cleveland Museum in February

Island School of Design (August 24-January 23, 1999) and to the Kimbell Art Museum in Fort Worth later next year. Those reluctant to visit modern-day Egypt might like From Tombs, Temples and Palaces: Treasures from the Egyptian National Museum in Cairo, at the Kunsthistorisches Museum in Vienna, August-October.

Last year was the year of Cartier, in 1998 the spotlight falls on Chaumet. Chaumet Paris: Two Centuries of Creativity charts the jewellery, objets d'art and silver made by the firm from the age of Napoleon to the present (Musée Carnavalet, Paris, March 25-June 28). At the Cooper-Hewitt in New York (February 3-April 12) and the Smithsonian in Washington (May 15-August 15) is The Jewels of Lalique with jewellery, glass and design drawings from the Art Nouveau master-

craftsman. The Metropolitan Museum, meanwhile, celebrates the 150th anniversary of the birth of Louis Comfort Tiffany with examples of leaded-glass windows and lamps, blown-glass vases, furniture, metalwork, enamels and jewellery drawn from its own collection.

Charles-Honoré Lannuier was responsible for introducing le stule antique to America after his arrival in New York in 1803. The first comprehensive survey of his Graeco-Roman revival furniture is staged at the Metropolitan Museum, New York March 17-June 14. It is the beautifully crafted utilitarian furniture created by the Shaker communities in America, however, that comes to Britain this year. Shaker: The Art of Craftsmanship, presenting some 100 objects drawn from the Mount Lebanon Shaker Collec-

tion in New York, shows at the Barbican Art Gallery, London, (January 22-April 26) and the American Museum, Bath (May 16-October 18).

Finally, the major show at the Victoria & Albert Museum in London is devoted to the greatest of all decorative woodcarvers. Grinling Gibbons and the Art of Carving offers an insight into how these extraordinary limewood swags of fruits and flowers and leaves were actually made, thanks to the recent restoration of his work at Hampton Court Palace. His masterpiece, the Cosimo Panel, commissioned by Charles II as a gift to the Duke of Tuscany in 1682, is a highlight of the show, which also includes church altarpieces, canopies, overmantels and a selection of his limpidly beautiful drawings (October 22-January 31, 1999).

Gergiev's Boris Metropolitan as if she were born to the

Opera/Pierre Ruhe

again taken on the issue of Musorgsky's stark, unorthodox orchestration of his great Russian epic, Boris Godunov. This season's *Boris*, revived in the solid production by August Everding and Ming Cho Lee, premiered a new orchestration of the score by the American musicologist lgor Buketoff.

The opera's fame spread through Rimsky-Korsakov's omanticised and convenionalised orchestration. Since the 1970s, the Met has sworn by a (mostly) original version of the score, although in performance hundreds of minor "touch ups" were deemed necessary by sundry conductors. could. Now that Gerklev Despite claims of restoring the composer's unique voice, what the Met played blunted

So although expectations were frankly mixed for this the two companies has been pit was Valery Gergiev, the most convincing interpreter of Russian operas today. If of Russian operas today. If financially struggling Know any conductor could extract with co-productions and a seemingly pure Musorgsky hospitable venue for its from Buketoff's revision, it would be Gergiev.

Yet what we heard sounded far removed from Musorgsky's defiantly original, almost cubistic style. At times Buketoff's orchestration is heavier even than Rimsky's: much of the Polish scenes of Act 3 was as lush and seamless as a Tchalkovsky ballet. As Musorgsky scholar Richard Taruskin wrote, previewing this version, that Buketoff's orchestration seeks "beauty, not truth". We are impressed with the polished grandeur without coming any closer

to Musoresky's intentions. As the title character. Samuel Ramey conveyed the authority and weight of the self-tortured czar, yet his cold delivery left a fully developed psychological portrait unfinished. His Boris remained remote because we never felt his torment. In

Opera has once part of the Polish princess Marina. Her dark, full mezzo enriched a characterisation that was queenly, regal, ambitious and petty.

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There remained the problems inherent with an international cast: although Ramey's diction and pronunciation were excellent, he couldn't compare with the idiomatic singing of Sergei Larin as the pretender Dmitri or Constantin Plujnikov, who sang a whiney, wellrealised Shuisky.

Throughout the evening it was Gergiev and the responsive orchestra who drew the listener's ear. They shaped supple long lines and imbued details with colour as few other partnerships (who remains director of St Petersburg's Kirov Opera) has been appointed the Met's the score's roughest edges principal guest conductor - and smoothed its lumbering he will lead eight productions over five years - it appears a pipeline between

will sing in New York; the wealthy Met can help the annual tours. This high-level collaboration appears doomed for artistic success.

ollowing Gergiev around can be an exhausting experience: after the Saturday matinee performance of Boris, he conducted the New York Philharmonic in Mahler's Sixth Symphony. Though his Mahler contained fresh passion and lucid excitement, it was rarely moving. Gergiev interpreted like an Italian, and put flowing melody clearly ahead of harmonic backbone. A sense of journey (spiritual, philosophical) was missing. He fired the second movement with martial chords and brutal percussion, as if Mahler pre-figured Shostakovich. And the tran quility of the Andante Moderato was charged with a nervous energy - a characcontrast, Olga Borodina sang teristic result from Gergiev

Theatre/Alastair Macaulay One man's psyche

least three genres that I have come to regard with alarm - the one-man show, the Aids play, the memory play – it confounds my doubts. A stage adaptation of Dale Peck's 1993 novel Fucking Martin, its memories are

It is John who addresses his punitive and alcoholic father, the parade of his bygone male homosexual lovers, his eyewitness account of the Aids-related symptoms of dying lovers. his life-changing relation-ship with one truly loving lover he delivers these to us non-chronological sequence, and only gradually do they add up into a portrait of a life and a

psyche.
John is played by Sean O'Neil, who is also responsible for this dramatic adaptation. At first. Martin and John seems to be largely a display of actorly virtuosity; as the play (directed by Eileen Vorbach) proceeds,

lthough Martin and drops that façade, and why John belongs to at Although his performance goes on qualifying as a tour de force, it increasingly immerses itself in the experience he is describing to us. we react less and less to we react less and le

him, more and more to it Martin and John Contains one of the most shocking accounts of what I would term as sexual perversion that I have heard and cer us. His victimised mother, tainly the most explicit account of Aids-related symptoms. By the time you reach these points, however, what hits you hardest is what they reveal shout the psyche that is being so painfully, yet coolly, revealed.

John writes/speaks his recollections with a certain distance that is part of the drama. In trying to recount the facts of his past, in triing to analyse his own feelings and/or lack of feelings. he is bit by bit coming to terms with himself. You are plainly aware that you are witnessing a Liebestod of

AND BOOK

Bush Theatre, London W12 however, you see how John until January 31.

its seriousness.

sorts, and are compelled by



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FOOD AND DRINK

Yippee – round-up time for cowboy cuisine

John Fitzgerald finds new interest in chuckwagon cooking

gary restaurant, as he lifted usual accoutrements, the a bottle of chardonnay cool-neckerchief, denim jacket, or ing in the bowl of an upturned Steison, and Allen's appearance is about paused before pouncing with as far off from cowpoke as it the puns: "People went nuts, is possible to be. And his I tell you! We really had our- soft-spoken manner - lame selves a ball."

It was a Saturday night at ting edge of the renzissance with a 1990s zip. for cowboy cuisine". A group of German men who had "Howdys", between burps, and a young, attractive Filet to a trio of Japanese.

The decor in the dining room had all the ranch style razzmatazz, complete with porch, and walls hung with saddles, boots, hats, barbed taped cowboy poetry read-

seemed to be quibbling.

ity you missed round a folded napkin. "I our Testicle Festi- come from Sussex, was val," said Stuart trained as a geologist and I Allen at a corner booth in his Callindeed, without any of the

even the pointed boots. puns aside - hardly fits the image of a man running a Buzzards, an establishment venue dedicated to the joys Allen grandly calls "the cut- of chuckwagon chow, albeit

But that is exactly what Allen has become since he become fast friends with the remodelled his wine bar in lager, were practising their the downtown section of Canada's bustling oil and beef capital, and turned the woman in a cowgirl out place into something of an fit scurried about serving casts for greenhorns, many Saddlesore Sashimi and Filly of them tourists from Europe and Asia bankering for a taste of the Old West.

Collaborating with Wade Patterson, Buzzards' youthrecycled barnwood on the ful and talented executive chef, Allen bas come up with a menu that adds sex appeal wire "art" and western oil to traditional cowboy and paintings. There were even native Indian concoctions. From the son-of-a-bitch

ings in the loos, a bit of a stew (rabbit, wild boar and stretch perhaps but no one pheasant), buckaroo beans, seemed to be guibbling. and buffalo steak, to prairie Allen's British accent cut oysters (skinned testicles of distinctly through the beery castrated bull calves that chatter. "I admit I don't were once served hungry exactly fit the mould to be cowboys at branding time, doing this kind of thing," he and are here grilled in a smiled, his fingers toying beer and herb sauce and with a rope bit lassooed served with Canadian back



least, is getting its taste of

"What we're trying to do is rekindle the great mythic led. "Two of the strongest images of North America themes in cooking today are through our food, service, music and atmosphere," explained Allen, whose enthusiasm for the western theme includes having the words "Trail boss" and (a bit of Britishness here) "publican" printed on his business card.

Looking to expand the scope of his long established wine bar, and tired of experimenting with changeable food trends, he came up with the idea of creating a cowboy restaurant that went beyond the usual ribs, steakand-potatoes fare available elsewhere in town.

"Here in what's supposed foods that were served in responsible for keeping bel-

bacon) grub, at Buzzards' at to be Cow Town, home of the cattle country of a century lies full with limited railway inns stretching Calgary Stampede, there was ago. The initial finds didn't no 'cowboy' restaurant that seem all that appetising, at was doing it right," he recalleast to modern palates, as this excerpt from The Couboy As He Is, published in the use of local ingredients 1885, makes clear: and the adaptation of tradi-"The table was bare, the tional recipes, and that's

what we've done. Traditional

Whether his restaurant

concept is the result of a

marketing strategy or

because Allen was truly

intrigued by Alberta heri-

tage, he doesn't say. But he

did do his homework, spend-

bow Museum, home to a

large collection of cowboy

archives and memorabilia,

where he researched the

plates and cups were of tin, and the coffee was in a pot recipes, local ingredients, so black that night seemed modern techniques and

llen persevered, and was soon knee-deep in recipes, some of them laid down by the chuckwagon cooks who worked on the Alberta ranches in the 1880s and 1890s. Names varied, but ing weeks in Calgary's Glenwhether they were referred to as "beanmasters", "doughbelly", "potraffler", or just "cookie", these men were

One local restaurant critic called Buzzards' food tastes good, fills you up, and gets your fingers messy", and although the Caesar salad and café latte give one pause with regard to authenticity, the rest of it is a big hit with the folks who travel in air-conditioned tour buses

Rockies. Even the finicky hometown crowd is starting to her loss it is. come round as well, although with some reluc-

"hearty, heritage chow that on their way to the majestic

across the country that recall the era of nation-building, looks positively out of place surrounded by towers of glass and steel. "That name! Buzzards,"

exclaimed a Calgary native, proud to be part of the entrepreneurial culture which gloats about the city's being one of the new economic engines of the country. "I wouldn't be caught dead associated with these carcass-picking beasts." And

The evening we dined there, prairie butter was to tance. Blame it on the for- be had as a starter, consistward-looking attitude of a ing of grilled beef bones cut and done the Napa Valley city where anything older in half and oozing with thing. Now, finally, they're than 30-year-old structures is melting marrow. Buffalo coming back to their own." seen as heritage. In fact, Caltongue came air-dried in a Buzzards Comboy Cuisine. gary's Palliser hotel, built in log-cabin-like construction 140 10th Avenue, S W Cal-1914, and one of the grand, served with wild rice pan- gary (403-264-6959).

cakes and cranberry ketchup, and the Indian Candy featured brown sugar-cured smoked salmon that was sitting on spinach leaves, with nuts, raisins and dried fruit in a light vinaigrette. Buffalo steak, considered much leaner than beef, was prepared in a sauce of molasses and peppercorns.

Thirst-quenchers go native as well. The wine list showcases many of the products of the Okanagan vineyards in neighbouring British Columbia, and non-alcoholic beverages include sarsaparilla, a drink combining lime juice and root beer, and so-called Bug Juice, once a popular libation on the trail that resulted when juices from the roots of a climbing

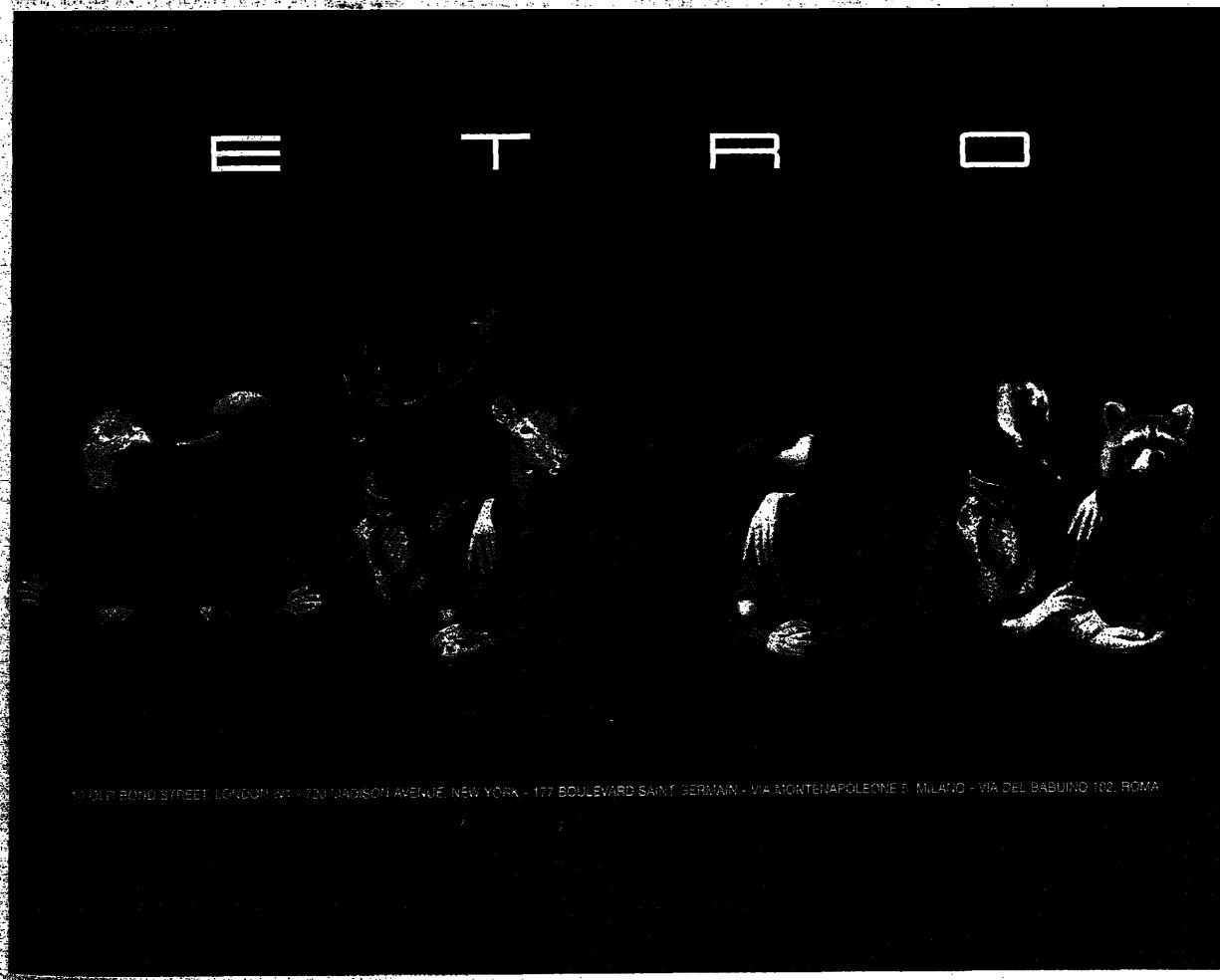
shrub were extracted. "There's a lot of Holly-wood kitsch and myth in the whole cowboy culture," says Allen. "There were never more than perhaps 20,000 real cowboys, and the much-touted Pony Express lasted for a grand total of 11 months.

"The great cattle drives from the Texas ranches to the northern railheads were almost over when ranching began in Canada in the 1880s. That said, it was a fascinating period nonetheless, full of hardships and possi-

Allen, 42, emigrated to Canada almost 20 years ago, after studying geology in London. "There was the IRA bombings going on," he remembers, "and a lot of labour unrest, and it looked like England was going down the tubes. Maggie Thatcher hadn't come to power yet, and I basically wanted out. I'd met some Canadians and really liked

He married a local, and settled down to the rhythm of the range. Or at least that part of it that takes in rip-roaring Calgary, a city that in recent years has been broadening its culinary horizons, including, Allen claims, the embrace of heritage foods.

"People here have done the trendy thing," he said, before moving off to another table. "They've gone to New York for the food weekends,



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been the junior partner

FOOD AND DRINK

For the love of a good armagnac

Great age does not necessarily produce a great spirit, as Giles MacDonogh discovered

The reasons for this are both historical and geographical. Gascony did not benefit from the trading privileges accorded to area around Bordeaux, and the The first thing they would have nobility of the region had no say in the powerful Bordeaux Parlement. It was also a long way in alcohol: instead of being 70 from the centre of production per cent pure, it was around 45 down the Garonne River to the per cent or more impure. This gave the spirit more taste of the It may have been, no one can original wine, and made it earthy and rustic.

quite remember today, that that old armagnac was ropy; without With time, however, the locals the finesse which came from the observed that the spirits left in greater means and technical proficiency existing around the delightful tastes which the old, double-distilled brandy had more famous town of Cognac in the Charentes. In those days. lacked: these are now the archeboth brandies were made by distypical tastes of old armagnac tilling the spirit not once, but prunes, beeswax and incense. twice, in swan-necked, batch-These rare old armagnacs were inevitably expensive to produce. In the last third of the 19th but they made the whole exercentury, armagnac abandoned cise worthwhile. A century after

this expensive and time-consum-ing method of production, and ous still, the law changed and

Bigger companies were happy to noticed was that the distillate take it on board. They knew that the pot still could make a more palatable brandy more quickly. You threw in some caramel, and lent the spirit some of the spicy flavours associated with new oak casks and whoopee! A good, marketable product.

Except that it is not doing that well these days, and it is not really armagnac. In as much as the Frenchman still drinks, he has a Scotch or a pastis. Armagnac is mostly confined to the post-prandial restaurant snifter and, if you are going to let yourself be tempted into taking one, you will have the real thing: some ripe old vintage celebrating a birthday or anniversary .

Just before Christmas I was in an almost empty bar in the rav-

Condom. Two locals and the landlord were weeping into their postis, lamenting the passing of viticulture in that part of the armagnac producing Ténarèze. Fifteen years before, the village had been surrounded by vines. Now they had all been grubbed up. Some strangers came in. They wanted to know which was the best armagnac: "Ténarèze,"

wouldn't they? François Héron would probably agree. He, too, favours the manly rusticity which comes from the clay soils of Ténarèze to the more perfumed spirits issued from the sandy Bas Armagnac. "Armagnac for women," he calls them. He blends and buys for the old firm of Janneau.

they chimed. They would,

This used to be the local off-

went over to the continuous still. the pot still was reintroduced. ishing bastide of Fources near shoot of Martell, but things have changed and Janneau is now owned by the Milanese businessman Armando Giovinetti. The team is properly international. Giovinetti is the Macallan's guru in Italy, and he has installed Willie Phillips, the former managing director of the Scottish distillery, to run Janneau, assisted by Giovinetti's son, Fabio, and the English-born Lithnanian Peter Jakobsen.

Heron doesn't disagree with me about great armagnac either; except to say that it is rare and unpredictable. He reminded me of a third sort; armagnac made on a column still, but produced at alcohol levels which come close to pot. This was the very worst. To prove his point he put some under my nose. I could not bring myself to sip it, yet this

There are other quality factors

besides the stills. The wine is one. Certain grape varieties produce much better wine for distilling. The Folle Blanche was always the best, yet it represents only 5 per cent of the grapes grown. The European Union is trying to stamp out the hybrid Baco, but those who love armagnac are almost unanimous in their high regard for Baco.

Janueau does not use a continnous still, which doesn't mean they do not market continuous still brandies. They buy these from the farmhouse producers. Some goes into their better blends, while the old vintages are always continuous still

ties. We looked at a succession of not ripe enough, it does not have the desired rancio character which manifests itself in a whiff of some citrus fruit like tangerines. The 1975 had this, and the toffee and butter taste which was delicious. That was a favourite. So was the 1942 although there

was some woodiness, the cakeshop smell of the spirit made you forgive it. Great age did not necessarily mean great armagnac, however. The 1950 had been too long in cask, and the 1924 was sweet and spicy, but had a degree of hardness which made it lag behind the front runners, drink for all that.

■ Vintage Janneau arm available from Furniss-Roe & Nicholls of Wembley (0181-900 1949); Cotswold Vintners (01454-325124); and Castipliane in After our argument (it was a Ascot. Surrey (01344-624849). friendly one), he took me into his Prices from £87.40 for the 1967s.

How to get the best food in Morocco

Anissa Helou revisits old favourites and makes some new discoveries

of the moment. This is not surprising since Britons are always looking for more exotic tastes. Even 2,000 years ago, Pliny the Elder knew that "Africa always brings us something new". However, what is difficult today, as in ancient times, is to eat well, really well, in restaurants in Morocco.

Most of its restaurants, restaurants touristiques, cater mainly hardly ever go out to eat.

As a result, practically all carry the same menu. The dishes they offer are those that are best known; chicken with preserved lemons and olives, lamb with grated carrots dressed with prunes and, of course, cous-cous orange juice and cinnamon; and With vegetables and meat.

Starters, too, are the same everywhere: harira. a thick soup with meat, pulses and tomatoes: salades variées, which are often piled together on one plate: briouats, savoury pastries filled with meat, chicken or rice; or pastilla, a sweet-spicy pie. It is regularly deep-fried, a definite no-no, instead of being slowly cooked in a special pan to make the pastry crisp and golden.

Prepared well, these dishes are delicious - but in most restaurants they disappoint. However, a few chefs refuse to follow the tourist trail - and the food in those places is as good as the

best Moroccan home-cooking. In Rabat, I was steered by Moroccan friends to Dinarjat, a favourite place for politicians. Dinarjat is located in the heart of the medina at the end of a narrow, dusty street deserted except for a few children. The restaurant is charming and the food exceptional.

You knock on the door of this converted house to be greeted by a graceful young waitress wearing traditional Moroccan dress. She leads you through a dark corridor to a small inner courtyard with a zellige (mosaic tile) wall fountain. In each of the four cor-

here is something

about the new year

that makes my feet

itch. Prompted by

the thought of desk-bound

heightened by the tempting

thud of travel brochures fall-

oroccan cuisine ners is a low, round table set in is London's food front of elegantly upholstered corner benches.

> You can also eat in darker rooms off the courtvard where the seating is European style. My waitress came to scatter a few red rose petals over the white tablecloth before offering me a finger bowl of fragrant water.

I started with their pigeon pastilla. Then followed a selection of salads, each on its own small plate, and all delicious. Most Moroccan salads are cooked. My for tourists, since Moroccans selection included poached lamb's brains in a tomato and coriander sauce; za hłą, a chunky mash of steamed aubergines and garlic seasoned with olive oil, lemon juice, cumin and paprika; cucumber flavoured with orange blossom water, icing sugar and

After that came the dish of the day, described on the menu as "the cravings of a pregnant woman". It was a lamb tagine (stew) cooked in a saffron sauce and topped with pears stewed in honey. In between the pears and the meat was a thin layer of sweet tomato confit. The whole was sprinkled with toasted sesame seeds and each bite was an extraordinary mixture of complementary tastes and textures.

Dinarjat also offers other less common dishes such as tagine de mrūziyya, spiced lamb stew with raisins and honey, garnished with toasted almonds. Mrūziyya is usually prepared for Eid el Kebir - a feast to commemorate the sacrifice of Abraham, as well as the period of pilgrimage to Mecca - and is not normally a restaurant staple.

The meal was exquisite and, at the equivalent of £25 a head, expensive by Moroccan standards, but excellent value. That is roughly the cost of a meal in most of the restaurants listed

place, which I have been visiting pile sheets of warqa, sprinkling sauce. for the last 15 years or so, is El every few with a layer of



On the streets of Marrakesh you are on your own. Your flair and judgment are your best guide for finding the finest Moroccan cooking

start playing for the belly dancer.

After discussing the various dishes with Hassan, the immensely talented sous-chef. I decided to skip the starters and plumped for a lamb tagine with a cous-cous t'faya, a speciality of northern Morocco containing chicken, raisins and onions.

The lamb tagine, made from the shanks and leg, was superbly tender with hardly any fat, and the lightly sweetened tomato confit was delicately spiced with cinnamon and pepper, quite different from that at Dinarjat.

As for the cous-cous, the grain was light and fluffy and the caramelised onion sauce had just the right amount of raisins. I should have stopped then, but I had already ordered a special postilla with milk.

Pastilla with milk is made in two different ways. At El Korsan, they use only one or two large sheets of warqa, the Moroccan version of filo pastry, which they sprinkle with almonds and serve with a jug of milk mixed with sugar and orange blossom water. You pour the milk on the pas-

tilla and eat it quickly before it In Tangiers, my favourite goes soggy. The other way is to reduces to a thick and unctuous

Korsan at the elegant Minza almonds, then to pour a kind of old port town where Orson reproduce in his restaurant's hotel. The restaurant is large and vanilla-flavoured cream all over Welles filmed Othello. It has one kitchen the smells and tastes of on two levels. The atmosphere is the top. This is nothing like as of the most charming hotels in his mother's kitchen. For that peaceful - until the musicians delicate or as refined as El Kor- Morocco, Villa Maroc.

san's. In Casablanca, the best restaurant is the Douira at the Royal friendly and efficient. When I Mansour hotel. It was first opened by Pierre Bergé, now cooked salad of grilled peppers director of La Mamounia in and tomatoes and a tagine of sweet tomato sauce followed by a Marrakesh, and it won the best lamb with delicately honeyed

> Everything shimmers: the mosaics. gold-threaded fabrics and the silver

restaurant of Morocco award in 1996. The walls glitter with jewellike zellige and the ambience was more convivial than anywhere else I had been.

My starter was an assortment of briouats, crisp and scrumptious, followed by hergma, a tagine of calf's foot with chick peas and wheat. Traditionally, it is cooked all night over a charcoal fire for the meat, pulses and grain to become meltingly tender, while the boiling liquid

a Moroccan home. The service is whom are women. was there the menu featured a

for choice. Highly recommended are, in the medina, Yakout and the restaurant at the Tishka hotel. Both are decorated by Bill Willis, the American decorator who uses a mixture of western pancake. and Moroccan styles to create sumptuous interiors. La Rotonda and Dar Fes are good, too.

The two that I like most are La Mamounia's restaurant and Stylia, where the carpets are strewn with rose petals. Stylia is situated in a part of the medina closed to cars. Mr Chami, the owner, has posted a porter at the street gate to receive his clients and lead them down the bustling alleyway to his establishment. The restaurant was once a grand house. The main eating area is in an immense covered courtvard lit mostly by candles. Everything shimmers: the mosaics on the walls, the gold-threaded fabrics

and the silver on the tables. The food is as dazzling as the secrets of making warga, cous-Next, on to Essaouira, a lovely atmosphere. Mr Chami wanted to cous and other dishes.

purpose his mother is responsible

I had two meals at Stylia. The first was to sample a Moroccan feast called diffa, where only the finest dishes are served. At this feast, the dishes kept on coming: these included pastilla, with In Marrakesh, you are spoilt pieces of pigeon, calf's feet stewed in honey (one of the most refined dishes I tasted in Morocco), lamb with quince and onions, more lamb with figs, and chicken with trid, a kind of thin

> The following evening I had a less elaborate though no less memorable meal of fish stuffed with rice and olives, a tagine of chicken with aubergines and finally tangia, lamb cooked in an earthenware jar buried in hot ashes. Tangia is a speciality of Marrakesh and the only Moroccan dish traditionally prepared

The atmosphere at the Mamounia is very different. Where Stylia is dark and mysterious, the Mamounia is bright and brash. The food is excellent. Boujemaa Mars, the head chef, is doing away with the tradition of having only women cooks and is training young men in the briouats, which were all perfect; I

lemon juice seasoned with chilli pepper and other spices. Following that came the surprise dish Boujemaa had promised me: medfun. Medfun is steamed vermicelli in which are buried young stewed pigeons. The whole is sprinkled cinnamon

in chermula, a mixture of fresh

and served with icing sugar. There is another way to sample authentic Moroccan food: to eat on the streets. For that there is no better place than the daily souks in the villages around Marrakesh, where you can be-

sure of the food's freshness. But on the streets you are on your own. Your flair and judgment are your best guide for finding the finest Moroccan cooking. If you have already eaten in one of the restaurants listed above :and at one of the restaurants touristiques - you will know what is good and what is not.

■ Anissa Helou is finishing a book on Moroccan street food. She travelled to Morocco as the guest of the Moroccan Tourist Office. She stayed at the Minza hotel, Tangiers; The Rabat Hilton, Rabat, the Royal Mansour, Casablanca: Villa Maroc, Essaouira, and the Tishka, as well as La Mamounia in Marrakesh.

Cookery / Philippa Davenport

Guides to avoiding winter routine myself to visit "one day". Other Irish welcomes may what they set out to do and of the area, check with Tom

ing through the letterbox, this year I think I shall take a winter break. Far-flung, sun-drenched locations are not unappealing but trying to squeeze into a swimsuit so soon after Christmas feasting seems

implausible. Distances, I have decided, are not a prime requirement. This could be the time to consider exploring places chancellor, the bon viveur much closer to home, those parts of Britain and Ireland I Cardinal, who expected to have always promised

Burgundy 1996

Offer includes wines from

Hotels are not the only places to stay, of course, as many have discovered, since the first edition of Off the Beaten Track was published many moons ago. One of my favourite little handbooks is the Wolsey Lodge Directory, subtitled Welcome to Our Homes. Wolsey Lodges are named in memory of Henry VIII's

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at any country house at which he halted when touring the realm. A consortium of more than 220 individual private homes, some grand, some modest, Wolsey Lodges are places where the visitor may be entertained as a friend rather than suffer the impersonal mini-bar, trouser press and fax machine services of hotel life. To obtain a copy of the 1998 edition, call 01473-827500. The Hidden Ireland is its Irish equivalent receive generous hospitality (00 353 509 20572).

THE

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CELLAR

Pail Med Dopper 134-125 Barby Road LONDON W10 ook.

in Ireland's Blue Book (00 353 4623416). Better known, and where to stay, is The Bridgestone Irish Food Guide by John and Sally McKenna, published by Estragon Press (00 353 2761186). Clearly kissed by the Blarney stone, the McKennas' distinctive voices give a personal, colourful and enjoyable view of the riches the Emerald Isle has to offer.

The Red Book 1998, subti-

country houses and small

owner-managed hotels listed

tled Eat Well in Wales, published by Western Mail Books (01222-583583) is the first edition of a new guide to the principality. It covers the full gamut of resting and eating places, palatial and simple, not only hotels but is rooted in encouraging farmhouses. B&B guest- regional excellence. Whether houses, restaurants, pubs. your preference is for posh tearooms and youth hostels, too, in fact anywhere the compilers believe that the beach to get good value for fraiche de Laguiole or Can-

pride. Another newcomer this

Food in the Westcountry, embracing far more than published by Halsgrove (01884-243242) and edited by



Tom Jaine, former editor of the Good Food Guide. Like The Red Book of Wales, this feasts in starred dining rooms or crab teas on the owners and caterers do well money and enjoy a true taste tal, thinly sliced.

ALIGOT

(serves 4) If an element of foreign is

essential to your idea of a holiday, you could do worse than to stay warm and cosy at home and let Paul Strang take you on a gastronomic tour of the markets, festivals and fairs of southern France. Take 5,000 Eggs. published by Kyle Cathie, is a magic carpet ride, exuberant and appetite whetting, helping me plan trips I must make at a later date. But for now, I am happy to cook from the book. This dish would make a warming lunch or supper with a clean-tasting frizzy endive and chicory salad on the side

700g floury potatoes; 60g butter; 4 tablespoons double cream; 4 tablespoons milk; 2-4 garlic cloves, finely chopped; 250g tomme

Boil or steam the potatoes be found in private town and wave the Welsh flag with Jaine before booking a room in their skins and peel them. Mash them as finely as possible to a smooth purée in the pan. Over a low heat, beat in first the butter then the cream and milk, and keep beating until the mixture is really light - this will

take time and effort. Stir in the garlic and sea-soning, and when the puree seems heated through, drop in the cheese, all at once. Continue beating and lifting the mixture as if you were adding egg whites to a soufflé. The cheese has to melt. At a certain point the puree becomes a little tacky and shiny, and comes away from the sides of the pan in an almost pouring consistency. The aligot is then ready, to be eaten immediately.

> TURNUP AND CUMIN PUREE

(serves 4) Patricia Wells at Home in

Her summer recipes, rife with ripe tomatoes, aubergines, pungent serpolet and lavender, appeal to me most. No. that is not true. Many of the winter ones are just the ticket now. The list grows each time I flick the pages This dish sounds perfect with plain roast duck or pork, a recipe capable of converting even those who think they dislike turnips.

750g turnips, peeled and cubed; 2 tablespoons butter; a pinch of sugar, about 250ml home-made chicken stock; % teaspoon cumin

In a large frying pan, heat the butter over moderate heat until it sizzles. Add the cubed turnips, salt lightly. add a pinch of sugar and sauté, tossing until the turnips are lightly browned all

Cover with chicken stock and cook over low heat until almost all of the liquid is evaporated, about 30 min-

utes.
Transfer to a food mill or the bowl of a food processor and puree. Season to taste with cumin, check seasoning and serve warm. (This puree can be prepared several Provence, again published by hours ahead. Re-heat it in Kyle Cathie, is another har the top of a double-boiler set binger of delicious comforts. over simmering water.)

> S ... 4.

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MOTORING

· very year, I am irritated to be told by headline or newscaster that fog has caused hundreds of acci-

Take it slower – and live longer

A driver's notebook

Some motorists simply refuse to make proper allowance for bad weather, says Stuart Marshall

accident. What does cause them is the failure by counting clear of roads running that it justified putting him less drivers to allow for reduced visibility; to slow

dents on motorways across

the UK. It has done no such

Fog cannot cause a single

bend; in fact, I came upon

down and leave extra space But hitting a fallen tree, or between their car and the drowning your engine in vehicle in front. deep water because you are going too fast to stop in I saw a lot of similar stupidity last week when much of England was swept by time, are self-inflicted

Why do some motorists behave like lemmings or the Gadarene swine? Take my howling winds and torrential rain. Luckily, I had no need to use any motorways but, at the height of the storms, I had to make a 50-mile trip on I was driving on a short

minor roads across Kent. but straight stretch of road Flood-water or a fallen tree well within range of my could have been round any. Citroën Xantia estate's headlights, when an elderly Saab overtook at 65 to 70mph (105-In conditions like this, is it 112kph) and disappeared not even more important round a bend.

Had there been a fallen sible speed and strictly tree or a flood 50 yards within your range of vision? ahead, he could not possibly I would have thought so; a have avoided it. He and his disturbing minority of my fellow travellers that night passengers would have become more "victims of the

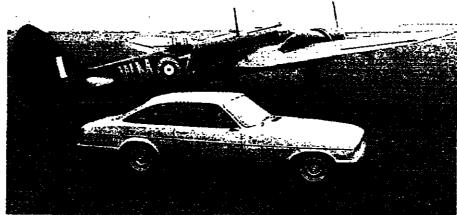
There is not much one can What business of his could do to avoid being crushed by possibly have been so impor- own negligence is much a falling tree, although keep- tant late on a Sunday night

through woodland improves self, his passengers and the odds. self, his passengers and other road users at risk? On that, I pass.

Last winter brought a lo of snow and ice. This one so far, at any rate - has not been Arctic, just exceptionally wet. Shots of cars rushing through floods in clouds of spray make good television news pictures but such driving is a recipe for disas-

tor air intakes close to the bonnet top can ford water balfway up their doors. Most new ones cannot. Their intakes are so much lower that driving carelessly into a flood can force enough water up into an engine to wreck

Having to be rescued is embarrassing. Learning that your insurer is refusing to pay up because it reckons the damage was due to your



overcoats and sold their cars at the kerbside in gentleman's carriage" was a The term has Blenheim 2. Cynics reckon years.

n the days when motor dropped out of favour but Bristol is no more than a traders were teddy bear one marque that could be builder of instant classic described, without exaggeration, as a gentleman's car-London's Warren Street, "a riage remains alive and well. This week, Bristol

cars. Not so, says chairman Crook, who has presided over Bristol's manufacturing popular description of a posh announced a new model, the and marketing for nearly 40

after a second world war British bomber) does look like a classic. The outward resemblance to a 1973 Type 411 is strong, but the new car has its fair share of modern technology. "The difference is that our cars are still hand-made and inspected to the highest standard of traditional British excellence," insists Crook.

Like every Bristol before it, the Blenheim 2 has a robust separate chassis and lightweight aluminium bodywork. Uniquely, the spare wheel, battery, brake servo and fuses are still housed in around to keep the small the front wings, which makes for a very large, uncluttered boot and easy accessibility should things

ever go wrong. It does not have anti-lock brakes, though. "They can make drivers who don't really understand how they work feel over-confident.

The power unit is a massive 5.9-litre V8 of unspecified (but it must be at least 300) horsepower with multiport fuel injection, made to Bristol's requirements by Chrysler in the US. It drives the rear wheels through a four-speed automatic transmission with a switch to lock out top gear when

Top gear itself is so high that, at 70mph (113kph), the engine is turning over at less than I,800rpm. This is one get about 30mpg (9.4 l/ 100km) on the M4 when driving from London to the factory at Bristol.

A minority of wealthy motorists of mature outlook believe traditional chassisbased construction, an interior of understated luxury and a large American VS is an unbeatable combination. There are enough of them production team busy

As fewer than 100 Bristols are made each year, the £118,778 Blenheim 2 is one of the world's most exclusive cars. Compared with its obvious rivals, it is also cheaper. A Bentley Turbo R is £148,980, an Aston Martin V8 two-door £149,500, and a Bentley Continental £199,750.

Even Damon Hill rides the new breed of scooter

Jack Barker finds things have changed since the mods fought the rockers around seaside Britain

again. They came to public attention when they were used - and abused - by "mods" during their rallies (and battles with "rockers") at English seaside towns in the 1960s, but lost out later to bigger and more powerful motorcycles.

Vespas were the preferred model then, and they have retained a cult status. Now. though, the humble sit-upand-beg legshield design. with the engine bolted on the back wheel, has had a complete make-over. Only the shape remains the same. A new market has opened

up across Europe. Damon Hill, the former world motor racing champion, rides one and they are used extensively to get around the pits at grand prix meetings.

in Federal

They have been "discovered" by youngsters, too. Unfortunately, since the new models cost between £1,800 and £3,000, you should be aware of fashion-conscious urchins showing their appreciation by stealing yours.

The traditional Vespa T5 is still sold new, clinging to its old, unbalanced design. You brake, start with a kick, and accelerate via a tendonstretching handlebar gear change. But that is old technology, 50 years out of date. The desirable models are totally different, applying practical limit.

What you need to know .

In the UK tall car licence-holders can drive a 50cc cooter without L-plates. To drive a larger scooter, you ed sither a motorcycle licence or a Compulsory Basio Training certificate.
Costs of scooters vary. The Philintaring-designed
Paugeot 50cc Speedlighter costs £1,799 while Plaggio

prices Start at £1,499 for the Liberty. The Typhoon 50cc s \$1,349 while the 125cc model costs \$2,450. The sparET4 125 weighs in at £2,560 and the Aprillia

The 50cc and 125cc Plaggio Typhoons were supplied by Metropolis Molorcycles of Vauchall, London SE1 7TP their 0171-793 9313), which also has machines to rent. The Aprilia Leonardo and Piaggio's Vespa ET4 were supplied by Motorcycle City. Call 01252-400000.

choke, and both gear-change are buying them as family and clutch are fully auto- run-arounds: often, they matic, keeping the engine prove of more use than a buzzing at its favourite revolutions from standing start simple to use and can be at the lights to top speed.

new type of driver. They are and emergency waterproofs. not designed for long journevs: within a city such as London, the M25 orbital

twist and go-go technology There are plenty of jourto the classic shape. The neys that fit this pattern, brakes are on the handle-though. Commuters are bars, just like a bicycle and using them to slash their diately to the lightweight the start is electric. travel time through thick, design. There is an automatic rush-hour traffic. Parents

mastered by anyone. They are bicycles with Many have digital clocks power. And, however hard on the dashboard, allowing the Japanese try to catch up, riders to time their lives to the market leaders in the minute. Legshields keep Europe remain Italian, with bad weather off shoes and the French running a close trousers, while lockable underseat storage is tailored Scooters are attracting a to take care of crash helmet

second car, since they are

Piaggio, which makes the classic Vespa, has led development of the new breed and Typhoon. I took one out for a sleepless nights in Italian



The new and the old...above, a 125cc Typhoon, which has a top speed of around 75mph. Right, a proud scooter owner of the 1960s

speed although, as a motorcyclist, not converted imme-

The problem was in the transmission. There was streaming traffic, and I plenty of power once the machine was moving, but starting meant the twostroke engine revving away before reluctantly dragging it forward. When the power kicked in it was decisive. but there was a definite lag.

There was also a problem with noise. Although the dealer I spoke to claimed the Typhoon was quieter than the tyre noise of a passing Mercedes, I did not agree.

At every junction, the poppop of the engine racing to engage the clutch brought motorway is a realistic and its hottest model is the 125cc back vivid memories of

test and was surprised by its cities. It was fast, though. is not required to take a day- and keep up with the traffic. Top speed was claimed at long compulsory course in Aprilia, one of Piaggio's 75mph and I took it up to 70, safety. but the small wheels and short wheelbase had it bucking alarmingly in slip-

> decided this was quicker than I wanted to go. Disc brakes front and rear and chunky balloon tyres meant it stopped well, but I never got used to an nnfamiliar wallowing approach to corners. These were not problems that could be solved even with the generous three-year guarantee that Piaggio supplies.

50cc Typhoon looked the kerb while impatient motorsame and had other advantages. Being only 50cc means that a full car licence-holder can carry pillion passengers. does not need L-plates, and to offer that extra 10mph

pick-up, but this soon brought it to the speed of 30mph - at which point, UK traffic regulations clipped its wings.

I have no idea who thought mopeds would be safer if restricted to 30mph in a traffic system that drives at 40, but they should be made to do penance. The legally-restricted engine leaves the rider puttering alongside bicycles, drains So, I traded down. The and broken asphalt near the

> ists queue to get past. The fact is that an unrestricted 50 cc, two-stroke engine has plenty of power

rivals, produces the Leon-The smaller engine was ardo, a 125cc, four-stroke sped round corners with faster and quieter on the model which is about as smart and expensive as scooters get. Yet, I mounted in a negative state of mind; after all. Leonardo was a genius and this was just a scooter. But, the sneer was

> higher and the machine as a whole larger than the I could sit and tuck in my

quickly wiped from my face.

For a start, the seat was

feet without feeling constricted. The mirrors showed views of the traffic behind rather than my elbows.

The water-cooled engine made no more noise than a sewing machine. It delivered power adequately and things. But, by the time I got smoothly up to 60mph, while

the chassis was heavy enough to keep it on track. Handling was good, too. It aplomb, although bumps and potholes upset things considerably. I did not actually want to give it back but, finally, my time ran out.

As I climbed on to a Vespa ET4. Piaggio's agile and retro-styled update of the traditional scooter shape. the dealer said: "I don't think you'll be as long with this one. It's not as manly."

As I rode the good-looking machine - so balanced that it stayed upright almost at a standstill, and powered quietly by a four-stroke engine - I gnawed at his choice of word. It seemed an odd one to use about a scooter, of all

The town that thrives on wheels and deals

Gary Mead visits Carlisle, Pennsylvania, where the tin gods rule

who deal in the truly gargantoan, though, there is Caror VW if they get uppity.

Isle and its car fairs. Normally, you can whi

Set in the heart of Penn- through Carlisle in a trice. sylvania, Carlisle is an But, 10 times a year, there is unprepossessing town, gridlock for days as hordes ica. It is where military officers come to study past glories, at the US Army War beaten track that, inevitably, 1997, they gorged upon nine

for something interesting to attracted more than 500,000 say about it. The best they visitors from the US and can usually manage is that elsewhere. 80 per cent of the US can be The 82-acre site is stuffed

the one that took a starring Corvettes. role in Steven Spielberg's move at all hours, heading

ome people argue through the handful of is the country where you them saying: "Ideal for a cannot buy a second-hand pedestrians but always car, only one that has been the males wanderthreatening the odd Honda Normally, you can whisk

quintessential middle Amer- of motor freaks hit town. Carlisle's car fairs are a world attraction to these chrome-plated, international College It is so far off the connoisseurs. Indeed, in it, is destined for cult, different auto and two antique motor events at the factus antique motor events at the list citizens search, vainly, local fairgrounds. The events

reached by overnight truck to the gills for each fair. 8,000 different "vendor S13,900. Nearby was a glorifrom Carliste. Some are devoted solely to spaces" - stalls, to you and ous 1949 Buick convertible, a on its outskirts, rast pan. Fords, others to trucks, others. technicons - lookalikes of ers to Chryslers, hot-rods or

The October Bea market - as well as individual "Fall Carlisle Collector Flea Edsel, not Elvis, is king. in and out of the dozen or Market and Corral" - is the All more or less post-1945, more seedy morel stop overs. year's biggest event, a vast, the machines on sale ranged in Carlisle's town centre, sprawling, mass genuflection from glistening, souped-up,

"pre-owned"; and where old cars are touted as "younger models" - which, of course, they are if you invert the

You can find more or less anything related to combustion engines

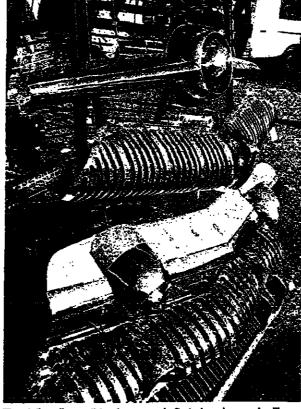
ber event, selling everything from camshafts to key rings

ing round the arena seemed to be searching for "a project", although one told me: "You know what the end result is? You put all that damned money in it and you never get it back. You're better off buying something new."

He missed the point. The old bangers for sale had not been tarted up lovingly for investment purposes but for the thrill of hand-crafting a gleaming vehicle out of a piece of junk. Over there was a handsome 1957 Ford Fairlane 500 coupé with just -There were more than 48,000 miles - genuine? - for

I fancied a 1962 creamyellow Thunderbird hardtop, with air-conditioning movie Duel - are on the known, pompously, as the vehicles. In Carlisle the and a good, new paint job, for \$12,500.

"California car," said the small card in its window. monster pick-ups and spess before the tinniest of Amer- hand-polished hot rods to "It ain't got no rust, least- much that isn't. "Check out Small boy scouts weaved fellow bed and breakfaster.



The stalls sell everything from camshafts to key rings and grilles

ways none you can spot." This is code sales-speak for: combustion engine, and with excrement.

It is not only vehicles, wild!" Indeed it was - a clear though. Among the Bulcks, plastic seat containing a illacs, you can find more or fine embodiment of that old 10-year old Citroen. less anything relating to the metaphor equating exchange

in and out of the crowds, digging into his eggs-overpulling small hand-carts behind them. For a donation of \$5, you could hire one in which to load your purchases and save your arm

"Remember, you can find it at Carlisle," cajoled the public broadcasting system. Some sad souls were even haggling at a stand dealing non-meeting of minds. in commercial car videos - a 30-minute promotional movie for a 1980s Chevrolet, selling for \$10.

Somewhere, there was someone collecting some tion, an inescapable encumpiece of automotive trash, no matter how obscure or apparently pointless. Vendors specialising in hub caps vied with some specialising in Ford hub caps, or others who dealt exclusively in Ford pick-up hub caps from the 1980s. The one big lesson from the Carlisle car flea market is that, for the all-American car worshipper, there is no such thing as

In my bed and breakfast outside Carlisle - even the nastiest motel in town is booked out a year ahead for the car shows, and I was fortunate to find anything at all that toilet seat! Ain't it within a 50-mile radius of the place - I made the mistake one morning of admit-Fords, Chevrolets and Cad- host of international coins, a ting that I drive a battered,

"What the hell's a Citroooin?" asked Michael, a

back, I knew what he meant.

Michael had transported his wife, Linda, all the way from Boston - a six-hour drive, nothing at all - to find some spare parts for his T-Bird. She wanted some accoutrements for her "Duster", whatever that was. We three enjoyed an affable

For Michael, the car is on a par with such creations as the cherubim and seraphim. To me, it is by definition a poor investment, a distrac-

Michael's face took on a puzzled, pitying grimace. when I told him that I moan at my wife for washing our it seems, to me, a pointless waste of time. How could anyone fail so completely to understand the important things in life?

■ Carlisle Productions (717) 243 7855. This year's Spring Carlisle is from April 23 to 26.

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Low to Spend It

You gotta go - it's a quality of life issue

New York is back in the swank, once again a wonderland for spenders, says Lucia van der Post

York. The chat is different. "I just got outs relationship my analyst savi was doin' me no good, says the woman on the escalator. Or "It's no good. I gotta go - it's a quality of life issue." Are they all extrus from a Woody Allen movie?

New York scems to be back in swanky times. The chilling fear that austerity was on the way seems to have evaporated and eventhough Barbey's, to New Yorkers what Harvey Michels is to Londoners, is still in Chapter Eleven, it bristles with postily dressed shoppers and the sounds of

that what costs pounds in the UE costs dollars in the US seems true no longer. although, as always in a city where no one believes in paying retail, there are places to find things more cheaply if you know where

Still the best bargain places to shop are the Lower East Side on a Sunday, Otherwise, even the smartest shops always have sales rails - even just before Christmas, when I was there. We bought my daughter a fantastic dress for almost half price at Morgane la Faye, 748

Zara, opposite Bloominggood source of well-priced Banana Republic (branches well-dressed Brit.

Century 21, downtown at 22 Courtland Street (tel: 227) 9092) may be worth the effort, depending on your addiction to bargains - it jewel-like Takashimaya, 693 as hell on earth or fashion Nirvana. Like a giant jumble sale, you rummage through the clothes and might bear away a cut-price Prada. Gucci or Donna Karan. Wall and jewellery. Street brokers go there for

The best bargains in New York are books. Every neighbourhood has its speciality pookshop but Barnes & Noble, 2889 Broadway at 82 Street, or Forbidden Planet at 321 Broadway on Union Square are always good.

Gadgets and gizmos are also worth checking - the latest cameras, binoculars and the like seem to be cheaper in New York than in most duty-free shops. Appliances Overseas, 276 Fifth Avenue, is the place to go and it will pack and ship.

The two main hot shopping areas are Madison Avenue - undergoing an amazing revival with Prada. Calvin Klein, Shanghai Tang - and SoHo. Madison has the outright glamour and showbiz fun of mid-town, com-But the old rule of thumb pared with the quirky, boutiquey, individuality of SoHo.

> Like a giant jumble sale, vou rummage through the clothes and might bear away a cutprice Prada

Shanghai Tang, opposite Barney's, is only a couple of months old, but I found it a price) on the first floor.

ing, and no store does it with more sophistication than the has been described variously. Fifth Avenue, More like a museum than a store, it is a visual treat from the flower shop on the ground floor to the furniture and furnishings, to the funky clothing

Bergdorf Goodman, for

London's Largest

money, the best home department in Manhattan. Others may be better value (ABC Carpets, Pottery Barn, Crate & Barrel), yet others may be more avant-garde (the downtown SoHo furniture shops) but for sheer theatricality, Bergdorf's

Those who feel aggrieved at being denied access to Voyage in London's Fulham Road can check it out in Bergdorf's - there's a free and open Voyage department in the store and they'll happily let you part with \$625 for an authentically tatty little cardigan.

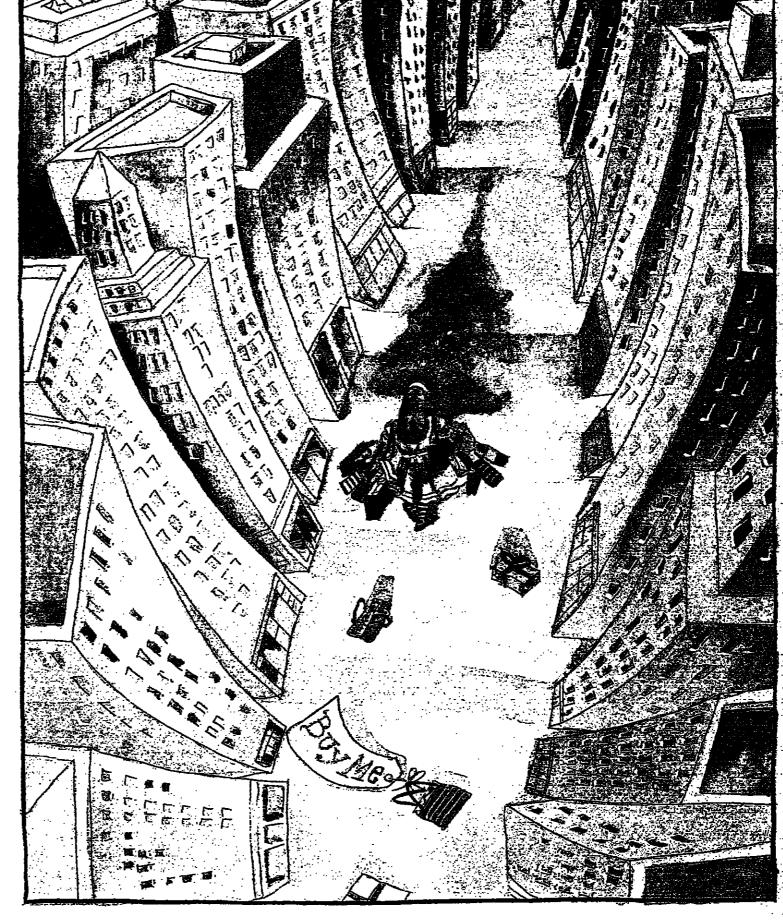
Bergdorf's is also where, if you think your wrinkles merit such expense, you buy the cult cream La Mer (promises, promises) at about \$155 for 50ml or a whacking \$1,000 for the

super size.
Felissimo at 10 West 56th
Street is the new-agey
department store where prices are a little lower. You can buy your fengshui travel kit here, fengshui candles. bells, scented coins and good luck necklaces.

Now Marks & Spencer no longer sells Brooks Brothers wares in its British stores, so fans of the Ivy League shirts, cotton chinos, madras and boxer shorts should stock up at the Madison Avenue shop.

SoHo is still unmissable, dale's on Lexington, is a disappointment, except for and its atmosphere and style the wonderful padded silk is expanding beyond its chic women's wear and jackets (about \$600 each), the strict confines. When it gets jewel-like silk scarves and too crowded, just about all over town) is the first the Chinese imperial tailors. every weekend late morning ready to make anything (at a and afternoon, the more adventuresome move over to Eastern aesthetics are Elizabeth Street. There's a infiltrating home and cloth- hat-maker, little clothing stores and second-hand shops, a sought-after shoe

265 between Houston and Prince (tel: 334 7900). It has an understated dining-room and, according to the Zagat guide, can be relied on to attract a "beautiful crowd".



For the very young, those in make Nicky Clarke look their 20s say, there's the cheap. M & R bar at no 264 (tel: 236

There's also a "sceney" Nearby Ludlow Street is restaurant called Rialto at up and coming, too, with cool new boutiques where young designers air their

> Don't miss the eastern elegance of Global Table, a new shop at 107 Sullivan Street. It sells wonderful stoneware bowls, square sushi plates in indigo or lime green and cool, celadon green bowls with a crackly glaze. The Enchanted Forest at

85 Mercer Street is a great place for children's toys especially the sort that adults love (lots of old-fashioned, wind-up, tin toys and exquisitely crafted wooden trains and animals carved by a New York cab-driver).

Zona, at 97 Greene Street, is still a cult home store scents and beads and Indian-

influenced artefacts.
There are lots of other good home stores in this area - Shabby Chic at 93 Greene Street, Portico Bed and Bath at 139 Spring Street, Wyeth at 151 Frank-lin Street and the intriguing Urban Achaeology at 143 Franklin Street and 285 Lafayette. This sells authentic (and re-editions of) grand old baths, lights, furniture and the like.

SoHo is more the place for the arty set than for ladieswho-lunch. Helmut Lang has an impeccably cool, clean new clothes shop; and The Laundry seems to be top of the hip young set's list.

Fragments, at 107 Greene Street, sells a charming array of jewellery. Wander and you'll come across shops selling old jewellery, old clothing, antique furniture and all sorts of other original pieces. Beauty is serious business

in New York and it's nails long, luminous, manicured that mark out the real New Yorker from the visiting scruffy Brit. Get up to speed at any of the manicure-to-go salons on almost every street corner. They are quick and cheap. In the summer you'll find

toes matter, too.

Frederick Fekkai has a glossy new salon in the smart Chanel building, while John Barrett has a glamorous salon on the top floor of Bergdorf Goodman, in what used to be Andy Goodman's private apartment. In either place, you'll feel so pampered there's a danger of getting hooked. But if you want the top man, you'll be lucky if you come out with a bill at

less than \$300. For those who find all that much too swanky, Bumble & Bumble, 146 East 56th Street between Third and Lexington, is where the young and hip go for their clean, swinging haircuts and colour. These salons do the music

Marcia Kilgore's Bliss (568 Broadway, tel: 219 8970) is

> The trend in this caring, sharing time is for restaurants to go in for communal eating

favoured by Julia Roberts, Courtney Love and a host of other lovelies. It is rumoured to be so hot that you'd better book now for next Christmas, though I'm told if you go for the unpopular times you'll have more of a chance. It's the oxygen treatments for skin rejuvenation that have made the salon

boom - \$80 a time. Beauty is getting a distinctly new-age tinge with much talk of spiritual values, so shine up your vocabulary. After the fengshui candles, aromatherapy oils and mood-altering perfumes, watch out for vibrational remedy nail polishes.

If this sounds as mysterious to you as it did to me, let me explain. Tony and Tina, who run the vibrational remedy centre, are artists who Get your tresses tended in produced a conceptual piece one of the myriad salons, but meant to be a spoof on the tance because, at the be warned that prices can cosmetic world. It was about moment, theatre and music

putting colour therapy at people's fingertips. But then it got serious.

"Retailers," says Tina, "came to us and said guys, this is a hot idea, how about turning it into something real? Now we're selling about 400 \$10 bottles a week at Bloomingdale's."

The thinking behind the nail polishes goes like this. Studies done in 1977 at UCLA pinpointed the electro-magnetic forces around the body (in new-age speak, your aura) and also pinpointed your energy centres (chakras). They found colours had specific effects on the chakras.

"Red," says Tina, "is a great colour for your personal power. It is where our primal instincts are. Orange is great for sociability. When people are choosing colours, we ask which colour they're instinctively drawn to. People are too used to being told what they need - we're trying to let people start evaluating their own needs."

That's just for starters. "In the spring," says Tina,
"we're doing hair mascara –
a hair wand to stimulate your crown chakra and antidepressant aromatherapy lipstick and aroma colour bath (no bubbles, just pure colour energy). Soon after, we're going to launch an out-of-body machine – it will offer a visual and aural guided tour to belp you get out of your body, to have an astral projection experi-

"Are people really up for this?" I enquire tentatively.
"Oh, yes," says Tina.
"They're ready to listen... we also usually mention that we believe there is a changing global conscious ness. As we're approaching the new millennium, I intultion."

As you can see, beauty in New York is a much, much more complicated business than it is in our humble Brit ish stores.

Now we come to food never forget that where you toy with your radicchio matters. Restaurants, according aren't up to much and no one cooks, so what else, as he says, is there?

Getting a table isn't easy. You either need to stay at the sort of hotel where the concierge can rustle up a table at the crackle of a crisp note or you need to plan your visit like a military campaign. Book before you come. It helps if you've starred in a movie, made the front cover of Time or appeared in Vogue.

Take Balthazar (80 Spring Street, tel: 965 1414) down in SoHo. for instance. It's so hot most of my New York friends haven't yet been able to get a table there. Thanks to a glamorous young colleague, we got in for lunch -I didn't think it polite to ask how. This is a restaurant that receives something like 4,000 calls a day. The sense of triumph at having been allowed through the door is almost - but not quite enough to make one suspend one's sense of judgment. Very nice it was, all buzzy Frenchified, with updated French brasserie food, but a little hard to detect quite what all the fuss was about. And no I wasn't

Calvin Klein or even Bill

Making it to Payard (1032 Lexington between 73rd and 74th, tel: 717 5252) was another triumph, this time thanks to an influential friend. An unshowy crowd but wonderful food, relaxed atmosphere and, for those whose waistlines can stand it, some of the world's best

Altogether fancier, filled with the beautiful people and offering pretty sensa-tional food, is Sirio Maccione's Le Cirque 2000 at the New York Palace Hotel, 455 Madison Avenue (tel: 303 7788). In spite of the higher prices, you won't find booking there any easier. It logs

3.000 calls a day. The new trend in this caring, sharing, touchy-feely time is for restaurants to go in for communal eating. Everybody hopes to sit next to somebody cute. Asia de Cuba (Morgans Hotel, 237 Madison Avenue, at 37th St and Murray Hill, tel: 726 7755) is one of this new breed. Add a menu that is a bold mix of Asian and Latin influences and you'll be lucky (or persistent or



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How to Spend It

Yves St Laurent forty years on

The couturier found his old form in his winter 1997 collection. Avril Groom says much is expected for the spring

he shock troops of fashion these days are more famed for the than for their top-to-toe coverage. Yet the first outfit in Yves St Laurent's last haute brown, full-length coat elicited a gasp followed by applause.

The coat was made entirely from sable, a rich, rare and very politically incorrect fur. If couture, the coat seemed to say, is all about exquisite, shameless luxury – then here it is. Prowling in it was Katoucha, a feline African mannequin who was a supermodel long before the cult was invented Now in her 40s and with her own successful collection, she had come out of retirement to be the show's muse and a yardstick of elegance for the mature women who form the majority of St Laurent's clientele.

With this one outfit, perfect in its simple form and in the lustrous shade of the fur against the model's dark skin. St Laurent served notice that he was far from the spent force some com-mentators believe.

The show that followed reinforced this explosive start. These were dateless clothes, simple yet opulent. faultlessly proportioned and of high costume drama from

This outfit served notice that St Laurent was far from a spent force

the young turks of couture at Givenchy, Dior and Gaultier. Here were grown-up clothes for grown-up women confident in who they are.

Winter 1997 was vintage Yves, a high point to be stored in the collective memog with ists' homage collection, a moment to quote when the detractors gather after one of the seasons when he is not on song.

More marvels will surely be expected from his spring 1998 couture show next Wednesday, 40 years after his first haute couture collection when, as a lad of 21, he stepped into the giant shoes of Christian Dior.

IL INTHINITE

RY SALES

I ISH HALLMAKED

er Cutlery

That the fashion world is somehow aggrieved if St Laurent no longer generates creative sparks speaks volumes about both the designer and public attitudes to him. In the beginning, he was so young, so innovative and successful - especially once he spread his wings in his own house from 1962 onwards - that expectations of him are still high.

His influence on late 20th century fashion has been huge - he was the catalyst for putting women into trouser suits, who first used the shock value of sheerly veiled breasts for publicity purposes, who brought street style into high fashion with his Beat collection, who popularised ethnic clothes and who, with his partner Pierre Berge, invented the concept of ready-to-wear.

Other designers may have had similar ideas, but Berge's astute marketing skills ensured it was images from St Laurent's shows press first. So diverse and most important designers, cial empire", ahead of Chanel and Balen Even then St Laurent was ciaga, for his "completeness intellect and creativity".

Charles of the Ritz) enabled a vast marketing and licensing operation to be put into place and the St Laurent name soon became both an industry and a treadmill.

He had always had design interests beyond fashion, particularly in theatre and ballet, and according to Financial Times journalist Alice Rawsthorn, who has written a biography of him. even in the late 1960s he was talking about breaking away from fashion. But as she also which reached the world's says, "he did nothing about it - the pull of the lifestyle all-pervasive were his inno- it provided, and the expect-vations that the fashion his - ations of the public, were too torian and writer Colin Mac strong. By the mid-1970s, he Dowell puts him at the top was describing himself as "a of the century's half-dozen prisoner of my own commer-

prey to depression and became prone to a cycle of However, it must be said drug and alcohol abuse folthat St Laurent's innova- lowed by periods in hospital. tions came in the early years. Such fragility made his of his career. Serious back small group of trusted advis-

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ing at an early stage (from ers ever more protective. American cosmetics firm and himself more isolated. his collections increasingly appeared to be reprises of his early hits, albeit tailored

to the mood of the moment. In essence, nothing has changed since and it would be impertinent to expect that it should. St Laurent is now in his 60s, in poor health and surrounded by the same small, loyal clique he has had for 30 years; their opinions and view of life have aged along with his.

Although fashion professionals may demand perpetual novelty, the client's view is very different. St Laurent's priorities have always been beautifully made clothes that would make the wearer feel wonderful, perhaps an outmoded concept in today's headline-hungry world, but right for his wealthy customers.

When he was reported last year as saying that the dramatic couture designs by Galliano at Dior and Alexander McQueen at Givenchy looked like circus costumes, it may have sounded like sour grapes but it was probably founded in genuine incomprehension.

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fers to please the client Small wonder, then, that rather than the photographer - when he started at ers and their formal lifestyles were what mattered and publicity was peripheral. He saw how quickly lives were changing, his innovations "gave women their contemporary ward-

> the top of most . important designers

robe", as Pierre Bergé puts it, but he never forgot the woman inside the clothes.

back season after season to clothes that superficially do not vary much. Lindy Woodhead worked for some years for Rive Gauche (St Laurent ready-to-wear) in London and says: "He always designs for women with real lives, not rock stars and Oscar nominees. These are 'proper' clothes - dated though that word is - which make you look dressed.

a certain clientèle. St Laur- man the fashion world is ent has no antennae on looking to. youth, yet in some ways he's

St Laurent's infinitely pre-

He is put at the century's

ing," she says, "because he's a physical wreck who apparently doesn't know who anyone is, but he still has an This is what draws women instinctive understanding of fabric and colour, draping

winter 1997.

beyond the pale.

prototypes of wardrobe

essentials. I bought classic

tailoring or simple evening

dresses and they are always

easy to undate with accesso-

What puts even the ready-

to-wear a cut above other

classic fashion is St Laur-

ent's natural, unerring eye

St Laurent may be beyond the influence of passing trends but sometimes they come to him. The recent 1970s revival has snawned St Laurent lookalikes from other respected and vogulah designers. Added to his couture success, his star is more in the ascendant than it has been for some time. Far from "They exude security and a burned-out has-been, he is, comfort, which mean a lot to insists Bergé, once again a

"The influence he has had in tune. Very few others can on Prada and Gucci have make ethnic costume look focused interest on him," he says. "Yves may not be so

The classics have the most creative now, but after 40 timeless appeal, though years what can he do? Why create peculiar new things for the sake of it?"

Far right: another design from this winter'a haute coulture collection – a classic loose satin tunio

the 1980s shoulderlines Other designers' peculiar-Sarah Manley was St Laur- ities have benefited St Laurent's press officer for four ent - Bergé says that over years and says: "It's the cut the past year sales of haute and quality which are so couture have increased by special. I think Yves would 100 per cent, "partly because agree that he hasn't of two very good collections designed anything new for and partly because women can't find clothes to wear decades but he doesn't need to - his key pieces were so from other houses". innovative they are still the

Sales of ready-to-wear designed by the house studio - are, he admits, flat, while menswear and the Variation diffusion line are doing well. Both, significantly, have a slightly younger image and there are signs that, in the wake of the 1970s revival, the St Laurent label is gaining a certain cachet.

The sporty menswear spinoff range Pour Homme has taken off among young labelchasers since the shop opened in Covent Garden last year, and the trendy magazine Dutch has just devoted 120 pages to the 40 years of YSL's achievement, with new Mario Testino pic-

tures in a modern style

showing that his ready-to-

wear can be relevant to the late 1990s. Several years ago, Bergé declared that couture was a says. dying art and, despite current success, he sees no reason to alter that view. "If anything happened to Yves, or he retired. I would close away. I do not see how something so personal can be

it has worked elsewhere." The ready-to-wear would

businessman he realises that a house which is owned by an arm of a state-controlled conglomerate, the Vendome Group, and has a licensing trade selling hundreds of million dollars' worth of products a year needs a flagship design range. "We would have to find a young designer to help us move on but respect the spirit," he

there with his sureness of vision, there are occasional glimpses of the glory days enough to tantalise press the couture division right and clients into reporting there is a risk of producing handed on and I do not think only shadows and echoes.





plants and head across the Atlantic. At last I have found a garden which has filled me with such enthusiasm that it has wiped out the low point of any gardener's January.

Longwood Gardens are easily accessible from Washington and New York; they are situated 30 miles west of Philadelphia on the edges of the Brandywine valley. While famous in the US. they are seriously under-represented on horticultural itineraries. I have been meaning to visit for years, but was delighted to discover that the difficult week from December 29 to January 4 is a high point for unmatched elsewhere in the

On one visit you can move between two different types of garden and round off the visit with heartfelt American entertainment. The entire experience is a combination which is still alive and well in high horticultural circles across the Atlantic, and underestimated in Britain to our loss.

its range and style to the genius of Pierre du Pont, one of the kingpins of the great business family whose company is still based in nearby Delaware. Pierre du Pont was a long-time chairman of the Du Pont company and crowned his industrial achievements by saving and transforming the Longwood Gardens which remain open.

a magnificent avenue of flowering Paulownias.

the sight of a large green-Philadelphia, visible to all

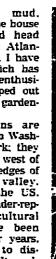
He filed away this example ful.

of fun and discerning taste Longwood Gardens owes

as he wished, to a vast pub-In 1906, he bought the park in order to save its fine trees. They are still remarkable, from some fine limes to

Du Pont was one of those serious gardeners who began his love affair with plants at an all-American riot of red the age of nine. He was poinsettias and imitation impressed at a young age by house on a main street in but the matching of plants

in his mind and years later. he adorned Longwood with







Longwood's conservatories are a legacy of Pierre du Pont: poinsettias lining a canal lead the eye to a Christmas tree, while (right) a Douglas Fir is dressed simply with tiny fairylights and pots of white

Gardening

The Christmas spirit lingers on

Robin Lane Fox finds inspiration at Longwood Gardens in Pennsylvania

exquisite plantings under glass. Christmas is a difficult time and you might expect reindeer. The main displays have a Christmas emphasis, and the staging of the exhibits is unimaginably beauti-

I thought I had seen the showpiece in the largest the magnificent conservato- house, the east conservatory, ries which a new public vis- which combined some stunits, this time the result of his ning trees of Mimosa with own expense and initiative. red dogwood, evergreen viburnums, Kashmir Cyp-

ress, something called nothing but white-flowered Wigandia and well-placed specimen Agaves.

A masterly combination of winter greenery had been devised from the cut-leaved Geranium maderense from Madeira and Geranium palmatum from the Canaries, a brilliant touch of plantsmanship which brought freshness and shine to winter

Three Christmas trees of Douglas Fir upstaged anything imagined by residents of Chelsea in London. They had been decorated with

cyclamen in pots, artfully ninned at angles among the trees' branches. They looked enchanting, the last word in Christmas decorations for anyone who is fed up with attempts to simulate snow and icicles by spraying their tree with man-made prod-

The east conservatory is only the pre-quel. House upon house of admirably chosen flowers lead off it, ranging from a garden of nothing but natural, silver leaves to a cool Mediterra-

COUNTRY

PROPERTY

nean house of singular sion of bluebells among a is not only to be seen, it is gold, blue and pink in a disbeauty and a more tropical section, masterminded by the king of South American landscape designers, Burle Marx.

Time and again, I was wracking my brains and trying to put even a first name to the rivers of flowering plants in front of me. One entire corridor was vividly hung with purple-pink Christmas Cactus at eye level, a bit of a shock in the

Either side of the passage, however, was given over to the fine leaves of the delicate Acacia leprosa which set off the colours superbly and is an inspired choice of foliage found in the British Plantfin. plant – it cannot even be

Orchids of carefully segre- lor, which I recommend so gated colours lit up the often for planting in pots recesses of a house inter- during summer. planted with natural ferns. Roses were in flower on New Year's day, cheering the

My own particular prizes would go to the house heavily planted with the long sprays of a coral pink Plumbago indica that I have never seen before and to the middle second class. The touch of genius which combined a main planting of white poinsettias with great ties: singing and lighting. drifts of clear blue Coleus

Christmas decoration. Anyone would be taken out of themselves by the founder's day adjoins the walk through these astonishng glasshouses.

I defer to any curator who can dream up something so apt and elegant as the Longwood Mediterranean garden whose key base-planting is the jade green Salvia disco-

> Leafless shrubs were brought to life with an outline of

I came out into a January evening, wondering how to attain reality and how to raise the funds to send the entire Longwood staff over to most of Britain's botanic gardens in order to show them how to plant a greenhouse which is better than a return to reality was eased by two American speciali-

thyrsoides, giving an impres- indoor garden at Longwood tra of water fountains turned

Over Christmas, the

Beating and unbowed

also to be heard. The large ballroom dating from the east conservatory and anyone who feels like cheering after seeing planting at its best would join me in enjoying that underestimated accompaniment to garden and turned the darkening visiting, a full-scale singalong, complete with organ

accompaniment. On a cold day, the songsheet works wonders: "Oh the weather outside is frightful. But the fire is so delightful. And since we've no place to go. Let it snow! Let it in my first years of study, snow! Let is snow!" who told us all to tune in, snow! Let is snow!"

Longwood in the conserva- wrong they were about the tory after Christmas.

Dazed by the planting and uplifted by the singing, I emerged into a January night for the garden's final star turn.

All over the main specimen trees the gardeners had fixed the tiny fairvlights which have begun to add their delicacy to London's chunky old Christmas illu-

As dusk fell, huge beech trees sprang into pin-points of light. The enviable flowering Cornus trees were wreathed in red illumina-

Du Pont's beloved orches-

sbrubs were wittily brought to life with an outline of bulbs arranged like plumes of Nowering lilac.

Everywhere, lights made up for the absence of flowers landscape into a Christmas heaven. Orderly crowds walked through in due appreciation, accompanied by children to whom the sight really was heaven.

I remembered those dreary old prophets of flower-power That number is big at turn on and drop out How order of priorities.

Turn on the garden, notyour friends, and you will understand the Christmas genius of Longwood. It returns magic to a season which is so often said to be laded and to gardens often stereotyped in their limited show of flowers.

■ Longwood Garden Information Service, which gives details of the programme of events, can be reached on (001) 610-388 1000 or www.longwoodgardens.org. The gardens are open daily and are located on US Route One, three miles north-east of Kennett Square, Pennsylva-

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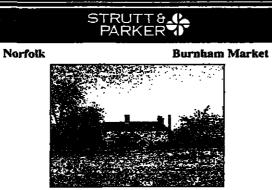
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CHRYSTALS

COUNTRY PROPERTY

Languedoc. Raise the

subject by all means and invite a pitving look, as if only the sad English could come up with the bizarre notion of creating such a fuss about a few thousand Down here in the deep

hunting has not

advanced very far

in this part of the

Midi, most people cannot look at a live animal without imagining it on the kitchen table. Those animals that can't be eaten are shot anyway (apart from those that are poisoned) to leave more space for the edible If you want to be really

English, you can wax enthusiastically to a Frenchman from these parts about how unusual it is to hear birdsong: then watch him salivate before running to get his gun. Judging by this

neighbourhood, there must be more firearms per household in rural France than appear in Terminator 2, and most of the ubiquitous dun-coloured vans careering all over the roads down here carry enough weapoury in the back to arm an active unit of the SAS. You never know, after all.

when you might run across tomorrow's dinner. Of course, the real difference between the uptight English and the freedom-loving French is that hunting is not seen as the preserve of a few inbred aristos, but a democratic

pursuit - democratic, that is, in a pre-20th century sense when only men were deemed to have adequate knowledge of world affairs to vote.

The huntin', fishin' and

shootin' set comprises the butcher, bar-owner, policeman, peasant farmer and (given this is modern France) the unemployed but never a woman. Between September and late January, hunting is the male bonding ritual of choice for most of the men of the Midi - at least those too small or old for rugby and provides a useful protein supplement, too. Hunting in the Languedoc

has changed over the years, as has the countryside. As the mountainous areas around here have become depopulated, what was once unland meadow has given way to forest. Few rabbit and hare remain to be shot at any more, but the russet-coloured wild boar have multiplied. Roe deer and mouflon - rare wild sheep, which once only survived in Corsica - have been introduced by hunting associations and are hunted according to quotas, which are sometimes adhered to. Local freezers are stuffed

with bits of all these animals though some citizens, even in this rugged region, are squeamish about certain parts. My nine-year-old son - whose pals here have contributed recently to a not entirely welcome improvement in his knowledge of the French

language – pointed out a bowl of dog food to me last week outside a neighbour's house upon which lay a couple of fleshy spheroids.

"Boar's balls," he explained. The hunters split into groups of 25 or so that jealously guard their own turf. In the late summer, fires often "break out" in the mountains, which encourages game to migrate to another group's area. During the season, hunters usually meet before

first light at the baraque, or

You never know when you might run across tomorrow's dinner

but, a fire blazing. The group then splits into beaters who, with the help of hounds, many with bells round their necks, push their prey towards their previously positioned colleagues, who carry both rifles and shotguns though usually not at the same time.

Once they catch sight or scent of an animal, the hounds begin to bay, and gunshots echo around the valleys. Usually, there is one session in the mornine. broken by an often bibulous lunch at the baraque, and another in the afternoon. A lot of ordnance can be

In the Midi, hunting is a democratic right, says Stephen Fidler dispatched on the average weekend. A few years ago, one chasseur from a nearby village mistook his father for a boar and shot him. Even a weekend family walk in the mountains can turn perilous if you and your loved ones are unfortunate enough to come between the local hunters and their

hapless quarry.

At night, the fire is built up and the animals killed during the day are butchered, having first been covered with depilatory powder, bathed in scalding water and stripped of their hair. This bloody ritual complete, the baraque is washed down and lots drawn for the cut meat. Some leave; others linger over pastis, wine and talk. The conversation drifts from French to what the locals call patois - the Langue d'Oc itself - and back again. It turns from hunting to other subjects: how the recent mushroom season has been phen during a wet and mild autumn. And how the behaviour of the hundre of city types who come here to pick them from as far afield as Marseille, and leave their litter behind in vast quantities, has been as execrable as ever.

And what to do about the cities of France, where nightly bands of youths are torching cars. But the baraque is a long way from any city, and as the conversation dies, along with the fire's embers, there is not a protestor in sight.

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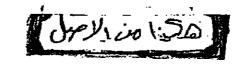
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Honour, courage and the terrible cost

Lucia van der Post visits Isandhiwana and Rorke's Drift

country on the troops. way to nowhere, the British "Imagine," says Rattray, Army suffered one of its waving his stick, "It is 11am

CARY PUANCARY

but assegais, their stabbingend of the day, an inauspi-rank, their shields glittering cious day of the "dead in the sunshine. It is a sight moon" for the Zulus (at the to chill the blood." height of the battle, it is officers, 806 non-commissioned officers and men and 471 native troops lay dead.

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The bare facts are enough to make the blood run cold. a solid crescent, 31/2 miles the company of David Rat the rim of the plateau as if tray, a passionate historian, they were one man. They who is steeped in the geography, history and culture of Their numbers seemed endthis part of Zululand, listen to his tale of that battle, sit beneath the sphinx-like hill that stands guard at Isandhlwana and the landscape is once again filled with the dropped at each volley of fire troops of the 2/24th Foot and but there were always more. thousands of silent, waiting

Zulu Impis. He brings out the drama, the pathos, the folly and the courage. As we sit looking companies of the 24th Regibegins to weave the threads of the story. The British, in nation. They provoke a war. ons. They think it will be a cinch uary 21 1879. Lord Chelmsford, commander of the alive. British forces, makes some

n January 22 crucial mistakes - he divides 1879. 119 years his forces in enemy territory

worst defeats in British colo- on January 22. There is not a Zulu in sight. Lieutenant At the height of its impe- Charles Raw rides out with rial power, on the windswept one of the scouting parties to plain of Isandhiwana in the see what is happening. Sudheart of what is now Kwa-Zulu in South Africa's Natal, 1,000 men, highly trained checks. He looks and well-equipped, were down...there, closely packed beaten by 20,000 Zulu war and sitting in utter riors armed with nothing silence...as far as the eye can see, sit more than 20,000 sticks, cow-hide shields and Zulus warriors. Highly discia few captured rifles. At the plined, ordered rank by

A few shots are fired into said, the sun went dark), 52 the silent ranks of Zulu Impis and the disaster unfolds. The famous "horns of the buffalo" military tactic is precisely executed. "In But go to the battlefield in wide, the Zulus appeared on eloquent grator-cum-actor, cascaded down over the plain in wave after wave.

> The ill-organised, illprepared troops scrambled pouches. Scores of Zulus The ammunition ran out, the fast enough.

out across the plain he ment of Foot died where they stood, shot or hacked to pieces, little drummer boys

- the might of the British last Welshman held out. Imperial Army faced with shooting until his ammuni- run barefoot with his men nothing but savages. On the tion ran out and the Impis way to Uhundi, King Cetsh- came to finish him off. Some wayo's capital, the 2/24th of the Natal Kaffir troops Foot, composed mainly of deserted while there was of them as cavalry. When tough Welshmen, stop to still time, but not a single camp on the plain of Isan- imperial officer left the field dhiwana on the night of Jan- while a man for whom he was responsible was still

ago in an insig- and he fails to take the nificant little Boers' advice to laager the

boxes could not be opened Almost to a man six full

expansive mode, want to of 12 hanged and disembowcrush the powerful Zulu elled on the backs of wag-We see the cave where the



the battle that bring the story alive - it is the smaller stories, those of the Welshmen who gave their lives, of Henry Harford, "the beetle collector", bottling a rare species as the battle starts.

It was the beginning of the end of the Zulu nation

Then there are the stories of the Zulus, of Mkosana Ka Myundlana, of the Biyela the day. "This," says Rattrav. "was his day. Over 60t tall and in his 70s, he had all the way from Ulundi. Though barefoot, the Zulus ran so fast you had to think the Zulus first felt the impact of the bullets and fell back in confusion Mkosana gave the great Zulu war cry 'Usuthut' and lead them from

was gunned down." Another mission station (it was Zulu, whose father had largely destroyed by fire durkilled three redcoats in the ing the battle) and look up to battle, told Rattray that the where one of the lookouts privates Owen Ellis and Zulus recognised the cour- saw the Zulu Impis coming George Morris, of Colonel age of their enemy: "Like over the top of the Oskar-Anthony Durnford with his lions, they fought, like berg mountains "black as withered arm, of Charles stones they fell." hell and thick as grass" you

> story of what happened at at the courage. Isandhlwana as the wail of grief and sorrow for the dead and wounded echoed from stand. There is no doubt that village to village throughout every man there thought he Zululand until it reach him was going to die...yet not in Ulundi. Cetshwayo knew that though they had won all but 17 survived. Eleven the day it was the beginning of the end for the Zulu more than on any other in nation. "It is," he said, "as if British military history." we have had an assegui thrust into our belly."

From the dusty landscape of Isandbiwana, Rattray picks up the story at nearby Rorke's Drift, just across the Buffalo River. That same clan, the great Zulu hero of afternoon of January 22, at 4.30, 153 soldiers, more than 30 of them wounded or ill "this time better organised and well-prepared", held a little Swedish mission station at Rorke's Drift against 3,000 to 4,000 Zulus. All through the night the battle raged, the dark sky lit by the burning roof. When morning came. 500 to 600 Zulus lay dead, the rest had fled. As you stand there looking

It is not just the details of the front until he himself at the walls of the rebuilt

This is not just a tour for to 3,000 Zulus died in a war battlefield buffs, this is a tour for all who recognise the power of stories, who see history as a vital way of con- said Churchill - and I am necting our past with our

King Cetshwayo heard the can feel the chill and wonder "It was a desperate and apparently hopeless last one of them cut and ran, and

future. "It is impossible," says plain of Isandhlwana and

feel any malice towards any of the participants. Sixteen Welsh Williams' were killed - those good men of the there, looking at the little valleys, forced by poverty to take the Queen's shilling, who knew nothing of the nobility and courage of this VCs were won that day, nation they were charged

they never wanted, on a day deemed inauspicious." "Courage is the thing,"

with him. Why us?" asks the frightened squaddie in the film

Rattray, "to sit here on this Zulu, which powerfully tells the story of Rorke's Drift. "Because we're here, laddie," says the sergeant, "Just us and nobody else." Standing mission station, you wonder at the pity and the folly and the nobility of it all.

■ To get to David Rattray's with destroying. Some 2,000 lodge, Fugitive's Drift, over-

looking the Buffalo River,

the hills of Natal so eloquently described in Alan Paton's "Cry The Beloved Country". Stay in one of David Rattray's lodges and go on one of his tours.

■ Worldwide Journeys & Expeditions, 8 Comeragh Road. London W14 9 HP. Tel: 0171-381 8638, fax 0171-381 0836 can organise three- to five-day stays at Fugitive's Drift at about £90 a night, per person full board. Escorted tours are about £40 per person. Classic reading is "The Washing of the Spears" by Donald R. Morris (Sphere).

Skiing

The Valais opens up

Arnie Wilson samples Swiss chic in Crans-Montana

If the six passengers . A glimpse through the aircraft in a London cloud- rocky peaks. burst had known why they were being drenched, they might have been angry.

The cause of the delay was Jamie Nelson's surprise birthday cake. True, it was his 21st. ruce, his father, and his father's friend Lorna, had smuggled it on board. Lornawas agitated on two counts:

it in one piece. the patient Swiss steward-

Suitably stowed, the cake and its superintendents no longer blocking the aisle, the six bedraggled passengers finally boarded Crossair's new Salurday service. direct to Sion - and the Valais ski country

Within 70 minutes, nearly heart of the Swiss Alps, soaring past the snow-clad peaks of Valeis before dipping below the snow-line into the terraced vineyards, wine is produced.

Markus Kramer, the captain, and his crew, had touch optimistic rehearsed the flight carefully. Sion is not the easiest airport in the world to fly into. This is why Crossair is the normal 8 degrees.

queueing patiently on windows revealed Sion's peaks lining the upper the steps of Crossair's famous "twin" episcopal for "Jumbolino" Avro RJ tresses perched on floodlit

More than 100 miles east of Geneva, Sion brings several important ski areas much closer to hand: Zermatt, Leysin and Villars are 90 minutes away, the Portes dn Soleil 80 minutes, Saas Blanc. Fee 70 minutes, Verbier an hour and Crans Montana 30

Crans-Montana is one - or keeping it secret until they rather two - of those places, reached Verbier and keeping such as Flims Laax, that you do not hear much about. "It's so fragile and very although its skiing creden-delicate," she pleaded with tials are impressive and its social and shopping cachet every bit as up-market as its neighbour, Gstaad.

A candidate for the 2006. a TGV service, and its blue-100 skiers were enjoying a skiers from Milan. A new vertical drop and 120 miles speciacular descent into the funicular brings skiers to of pistes.
heart of the Swiss Alps, Montanz from Sierre. There is a wealth of "We're becoming an international city," said Walter around and beyond the Loser, the resort's tourist three focal points of Bella director. "And, ooh la la, Lui, Les Violettes and Petit

Rhône Valley was visible all the way to Brig and beyond to the Furka Pass, including the Dent-Blanche, Weisshorn and a tantalising glimpse of just the top of the Matterborn pyramid. From the slopes, there is a commanding view of Mont

It was the slopes, of course, that I really wanted to see, and the sharp change in the weather gave Christophe Eggli, my young guide, the chance to give me a lightning tour of the

aving spent the previous day barely able to see . two turns ahead Winter Olympics, the resort of me, I was impressed is certainly well served: when finally granted a clear apart from the new Crossair day - with how the higher flight from London, there is reaches, all the way up to the Plaine Morte Glacier. and-white Italian equiva- seem to rise and rise, giving lent, the Pendolino, brings the area a healthy 5,000ft

nately, this proved to be a 7.300ft to 8,300ft mark. This It rained - but not for tem peters out, with the nothing is Crans-Montana exception of the cable-car up known as one of the sunni- to Plaine Morte at 9,840ft. est resorts in the Alps - and From the glacier, a single,

A wide sweep of mountain up with Les Violettes, right in the centre of a cat's cra-

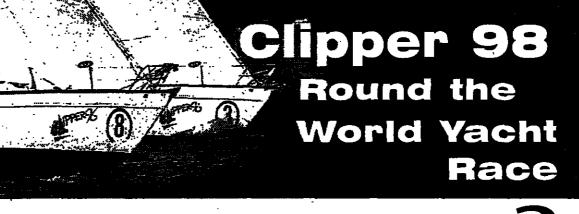
We certainly earned our cassoulet and brochette de soumon mariné, plus a bottle of the local wine, at Le Bistro in the Pas de L'Ours or Bear's Footprint - an extraordinary and striking structure in pine, rather like a tower of old chalets piled one on top of the other.

The five-star Crans

thermal "cure centre" offering a range of natural treatments aimed at eliminating toxins from the body. including poultices "to decongest and regenerate the liver and kidneys, cleanse the intestines and ease painful joints", as well as lymphatic drainage, electro-osmosis and a plantbased "youth serum" signed to regenerate skin and arteries.

When it was built, however, the hotel was not too popular with the cows returning one autumn along traditional pathways from their summer pastures. One, finding this strange new construction barring its normal route, walked right into the hotel and started explorwhere most of Switzerland's we're going to get some Bonvin, which gird the ing. I heard that the mansnow my dear." Unfortu- mountain at around the ager hurried along behind with a dustpan and brush is where most of the lift sys- just in case it did anything to upset the newly installed

■ The Crans Ambassador Hotel: Tel: 0041 27 481 4811 using the immbolino. It has it brightened up, revealing a steep, exhibitant plate for details of Crossair's new a steep "gidestope" angle of remarkable view from my (with excellent off-piste service to Sion, call the Switdescone degrees instead of window at the Ambassador variants) comes storming zerland Travel Centre in London a steep valley to link don on 0171-734 4578. down a steep valley to link don on 0171-734 4578.



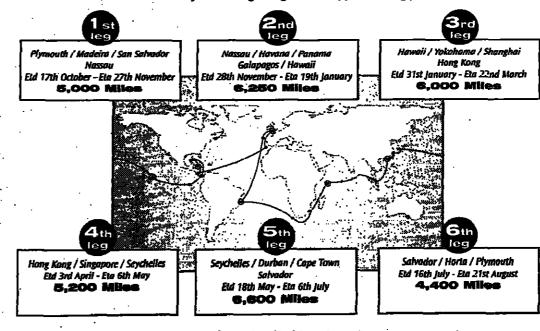
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TRAVEL

ike many people. I Gambia to be a kind of Costa of Africa, a mass market tourist destination. Only 25 miles at its widest

point and cutting 300 miles into the continent of Africa. The Gambia is one of the world's smallest nation states and, apart from the coast, is almost surrounded by Senegal, which is 20 times larger.

It was first colonised for holidays by Scandinavians in the 1960s. Then it was publicised in Alex Haley's novel, Roots, which traced the author's slave ancestors back to Juffure, an up-river village.

The Gambia was once a British colony - the capital, Banjul, used to be called Bathurst - and so British tour operators borned in. Its big selling point was guaranteed sunshine during the British winter - it is on the same time zone as Britain and its cheapness. The beaches are clean and there is little crime.

Well, actually, there is a growing problem with "bumsters", voung men touting themselves as guides and goodness knows what else. However, compared, say, with Florida or Thailand, it

With limited attractions in Banjul and the main population centre, Serekunda. many visitors felt little need to stray too far from the two dozen or so beach botels. lazing by the pool or beach by day and enjoying discotheques and karaoke by

By 1994, more than 70,000 tourists, most of them British, were holidaying in The Gambia - and the country enjoyed a mild reputation for sex tourism, not young men looking for women but English matrons of an uncertain age searching for young male Gambians. (The consular section at the British High Commission is still dealing with some of the complications.)

But in that year there was a military coup against Dawda Kairaba Jawara, the long-standing president. The British High Commission issued a warning and tourism fell to 40,000. In building up the industry again - this year, 80,000 visitors are expected - the government and hotel owners have real-



A birdwatcher's paradise

Stewart Dalby on how The Gambia is planning to widen its tourist horizons

tourism can be in a country where it accounts for around 12 per cent of gross domestic

The government wants to diversify its tourism, get people off the beaches and into the country - and hopefully add value. Apart from encouraging cultural tourism, with events such as the annual Roots festival, based on Haley's book, the spotlight has fallen on eco-tourism in general and bird watching in particular. The Gambia no longer has big game but it does have an astonishing variety of bird

Clive Barlow, an ornithologist who has lived in the

ised how confining package brought out his definitive take day trips or go on a trail which takes about two to visiting these areas is the Field Guide to Birds of Gambia and Senegal (Pica Press). Together with co-author Tim Wacher and illustrator Tony Disley, Barlow records 540 species, which means the region is unrivalled for bird-

life in West Africa. As Barlow explains, this is because of a unique diversity of habitats. It is a regular stopping-off point for migrating birds. The coast is rich in fish. There are sandy beaches, mangrove swamps. river mudflats and swamps. low-lying savannah and patches of thick forest. Barlow takes groups out watching from his base at the Atlantic Hotel, where he has established an award-wincountry for 12 years, has just ning bird garden. You can

seven-day safari up country. The Abuko nature reserve is the oldest established conservation area, having been declared a park in 1968. It takes just half an hour to drive there from the main

hotel area. We got up at 6am, the best time for bird watching. The education centre in the middle of the reserve overlooks a series of pools with a substantial population of Nile crocodiles. From the hide near the centre you can watch the Milky (or Verreaux's eagle owl. Other abundant species are the Green-crested Turaco, the little green Bulbul and the Yellow-breasted Apalis.

hours to walk. It is magical before the sun rises and you will see lots of red colobus and green vervet monkeys.

Tanji bird reserve is also close to the hotel area. It is bigger than the Abuko and has a number of different habitats, including mangrove, dry woodland and coastal woodland. There you will be looking for the finespotted woodpecker, the gonolok, crombec, melodious warbler, Royal Tern and Swallow-tailed Bee-eater.

Both parks are convenient for visitors to the beaches. For real enthusiasts there are four other reserves, at Tendaba, Janjanbureh, Baobolon and Kemoto. Some have argued that a deterrent

lack of infrastructure; basic hotels, and lack of organised

Others, like Louise Kempton, a young Irish woman working for the country's department of parks and wildlife management, feels that conditions do not matter. She says: "Last year we had a group of 12 members of the British Dragonfly Society. The average age must have been 78. They went everywhere, right up to the Senegalese border. They

had a whale of a time." ■ Stewart Dalby flew to The Gambia with The Gambia Experience (tel: 01703-730888) in conjunction with The Gambia Hotels Association.

update...update

ENTO AFRICA: See southern Africa with a 15-day Topmarket Tour through Bales (+44 01306 885991): wine tasting on the Cape, luxury train to Pretoria, game viewing in Botswana, Victoria Falls viewing in Zimbabwe. Best hotels in town and a Bales manager with you all the way; all for £4,698.

PICK OF FRANCE Picardy, in north-west France, doesn't get the recognition due to a region containing Chantilly château, the Somme and Crécy battlefields, Gothic cathedrals, Parc Asterix, bird sanctuaries, beaches and much else. Until the end of March, the regional tourism office (+44 0171-836 2232) offers two nights for the price of one at more than 30 hotels and châteaux - a weekend for two could cost just £65.

☐ ROADWISE: Always wanted to try a fly-drive holiday in Spain or Portugal but couldn't quite face local traffic? Unicom (01582-834400) offers professional drivers to get you from town to town in private cars. The usual DIY driving holidays are also

DOWN THE ISLES: Two islands for the price of one on a Maldives holiday with Elite Vacations (+44 0181-864 4431): you can stay on peaceful little Veligandu Huraa, and cross a walkway to livelier Digutonothu for the disco a 15-minute stroll over the sea, with a bar halfway.

☐ MATURE SKIERS in search of a less aggressive and competitive time on the snow might find gentler landings with Classic Ski, which specialises in skiing holidays for those aged between 36 and 70. The company says many clients are first-time or returning skiers. Tel: 01703-212144

VALENTÎNE'S TRAIN: Spend February 14 chugging along England's ailway line behind the

steam engine Blue Peter. Leaving London Euston at 7.20am (and picking up at six other stations), it returns at 10.20pm; cost from £45. Call Past-Time. Rail, 01543-411971

□ BIG EASY: For a lavish city break, try the Windsor Court Hotel in New Orleans. Four of you can spend three nights in the penthouse, with chauffour and limo, champagne and caviar, butier, personal trainer, private piano concerto, seven-course tasting menu and more. and all for a modest \$25,000 for four. Call +1 800 262 2662

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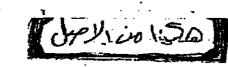
Travel Supplement

January 24 1998

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Weekend FT





TRAVEL

The real Hawaii is just up the road

Antony Thorncroft avoids the obvious to find an island rediscovering its old traditions and customs

unless it is wrapped in tea leaves."

his sensible advice, the most powerful of Hawailan superstitions is ignored at their peril by the inhabitants of Oahu. the island which contains Honolulu. Waikiki beach, and most of the inhabitants of the 50th United

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The Pali is one of the few high-ways that straddle Oahu, linking Honolulu and the dry south, where virtually everyone lives, to the wet and wild north. In the past it was a tortuous journey over the mountains and not taken lightly, cer-tainly not with a pig, unless it was bedded in tea leaves and ready to

The attraction of Oahu is that at one level it fulfils all your bland expectations of Hawaii, being little more than a backdrop for Waikiki beach, while at another, it opens up the mysteries of a past which gets stranger by the year.

Unless you are a confirmed sun-dried tomato, Waikiki, the holiday extension of the Hawaiian capital of Honolulu, is a one-day experience. Here crammed bodies lie comatose in a friendly sun, cooled by a sea breeze, while creamed hunks whoop through the surf that roars in on challenging, but controllable, breakers. Behind are the luxury hotels; the designer shops; all the comforting ease of

But even Waikiki has an edge. Crowded yes, but not obsessively so, since visitor numbers to Hawaii are down. American visitors, perhaps, but the majority of tourists are Japanese, many on honeymoon. Tacky, no: the beach and hinterland are almost obsessively clean and safe, and given over entirely to shopping rather than to more louche seaside pleasures like drinking, eating and frivolous entertainment. It is Bond Street-on-Sea, with the designer shops recording their highest grosses per

square yard in the world. There is something quaint about seeing a posse of Japanese brides in white tulle posing for their wedding photos in the foyer of a faceless hotel, but it quickly becomes time to dig deeper. The Waikiki face of Oahu is not worth a journey half way around the world. Fortunately, anyone prepared to escape the suburban sprawl is in for the

shock of the old.

Drive around the east coast and the atmosphere quickly changes from friendly waves to the 20 ft breakers of Sunset Beach, which make Hawaii the most desirable spot in the world for professional surfers. Suddenly, annual rainfall jumps from 20 to 200 inches in a year. The vegetation becomes lush with banana plantations, and retirement bungalows make way for shacks that seem to grow out of the earth. The beaches are empty and an older Hawaii holds sway.

This is when Hawaiian history starts to take over. It is conveniently short. Until around 1,500 years ago the islands were uninhabited Then the Polynesians arrived and established one of the most ritualistic of taboo systems; women, for example, were only permitted to eat two of the 80 varieties of benana grown on the

As compensation, men were

"Never take a pig over the Pali - women. Break a taboo and you were slaughtered.

Then in 1781 Captain James Cook stumbled upon Hawaii and within two decades, armed with two borrowed cannon, a tribal chieftain from the big island of Hawaii had conquered the chain. The Hawaiian monarchy lasted a century before being ousted by the Americans, but Honolulu remains the only US city to retain a royal palace, now a threadbare museum.

After years in which Hawaiians stressed their American-ness there is now an obsession with their past. Most of it is tourist pastiche the leis, the orchid garlands that greet visitors off the aircraft; the inescapable hula dancing; the "feasts" of barbecued pig on the beach: all the phoney ethnicity of "traditional Hawaiian evenings".

But although much is false - the ubiquitous ukulele was imported by Portuguese plantation workers; grass skirts are a modern invention - there is an unexpected foreignness about Hawaii; few white faces, very few pure Hawaiians, but a great mix from the Pacific rim. Honolulu's Chinatown has a seaport loucheness; after dark there is even an air of menace.

Coming across the "court", a procession of Hawaiians dressed as their 18th century ancestors, walking across the beach, is strangely moving. Traditional Hawaiian music flourishes; the language is

The most moving experience on Oahu is a visit to Pearl Harbor and the memorial built over the wreck of the **USS Arizona**

being rediscovered; the sites of ancient sacrifice are being excavated. Poi, the basic food of Hawaii, made from the taro plant and tasting like tapioca chewing gum, is increasingly available. The Polynesian Cultural Centre in the north of the island is as serious as it is superficial; the local artefacts in the Bishops Museum greatly excite anthropologists.

The canker in paradise, which led to the extermination by disease of most Hawaiians in the 19th century, carried on to recent times. The most moving experience on Oahu is a visit to Pearl Harbor, to take the free tour out to the memorial built over the wreck of the USS Arizona, sent to the bottom within minutes by Japanese bombers in December 1941, with the loss of almost 1,200 sailors, average age 19.

The ship is visible just beneath the surface of the water. Oil still leaks from it, polluting the calm waters. There is a sad silence from the tourists as they spend their 15 minutes on the simple floating deck, a shrine to the dead. It is naturally a popular excursion and, unless you arrive soon after 7.30 the huts; and the kukui nut, which am, you might have to wait up to produced the oil used for lighting

an hour in the visitor centre. Pearl Harbor is a sobering antidote to the beach. A more bracing back to a stone-age environment, one is a trip to the interior. Within less than 10 miles from one of the minutes from the suburbs of Hono- most popular beaches in the world. obliged to do all the cooking, using lulu you can loin a narrow trail it is even weirder if you run into a hotel as a base. The Mandarin Cost, on a room-only basis and two different utensils for men and into the jungle, walking high into party of hunters, crashing through group has just invested \$75m in adults sharing, is £1.427.

have taken hungrily to this lush environment, finally emerging on to a crest, with the whole of the

north of Oahu spread below. The plants were introduced by the Polynesians - such as the koa tree, used for the surfboards of the chiefs; the olona, the strongest natural fibre in the world, which built and tattooing.

It is a weird experience to be

the mountains, among the the dense undergrowth, chasing renovating the Kahala Mandarin imported plants and birds which with knives another import, the Oriental, located on the other side Russian Razorback pig.

Oahu in the past was probably never a happy place - ruled first by ritual, then by missionaries and plantation owners. Now, dancing to the demands of tourists, it is probably enjoying its golden age. But to make the most of a very varied island, tourists must leave the beaches for the jungles, the North America Travel (0171-938 south for the north, and learn to for the more authentic recreations. Airways to Los Angeles and a night Such journeying is made easy by an excellent and cheap bus service.

of Diamond Head, well away from Waikiki. It has a casual elegance but keeps its links with nature by having dolphins in a pool, and a flock of roosting birds. It provides an antidote to the crush of Waikiki, the foreignness of Chinatown, the formality of Honolulu, and the

wildness of the interior.

3737) offers seven nights on Oahu. avoid the kitsch Hawajian culture including return flights with British an excellent and cheap bus service. Then on to Honolulu, for a transfer. It also helps to have a luxury to the Kahala Mandarin Oriental.

Jazz in the St Lucia sunshine

James Henderson is already looking forward to the festival

t was a scene of utter contentment. A man lying in the sun, verging on the edge of slumber, the strains of hypnotic jazz music rolling out from a stage and filling the warm tropical air. A blossom from a white cedar tree spiralled gently down, hit him on the chin and lay still on his chest. He opened his eyes, realised, and closed them again.

It was the final afternoon of last year's Jazz Festival and St Lucian Luther Francois was running through his specially prepared medley of Caribbean jazz.

Mid-afternoon, the whole thing had an air of a village lete, of happy abandon in the sun, with families on the fringes on picnic rugs, children chasing around playing tag, a few lads in the beer tent – and of course a certain vague attention on the stage activity.

St Lucia's Jazz Festival has now become a fixture on the Caribbean calendar. Like a number of festivals around the area, it was born with sanguine rationale: to increase tourism, the island's most important foreign exchange earner.

Staged in May, it is supposed to maintain visitor arrivals beyond the winter season, which traditionally ends in April. The festival does not

break even, but it is reckoned to have been a success - in 1997 it increased visitors by around 15,000. By the by, the profile of St Lucia should be raised on the international stage. Just look what happened to Montreux.

So much for vulgar theory, For the visitor, the festival adds an extra focus to a Caribbean holiday. The weather is not that different in May and, with the exception of a few concerts, it is not too crowded so you can simply pick and choose from the range of artists. There are certainly some big names from the world of iazz, but the festival is by no means aimed at the purist. Really it is given as broad an appeal as

My first evening was one for the hard-core devotee, though: Christian McBride master bassist, followed by Pharoah Sanders, who ran his saxophone through mesmerising scales. The audience, the international visitors and the St Lucian great and good (who understandably have developed an interest in iazz, what with so many greats turning up on the island each year) gasped in reverence and awe.

The policemen, who were there to keep order, could barely stop themselves from dancing.

The tropical island setting is half the advantage, of course, and the St Lucians use it well. Most of the concerts are staged in the evening, leaving you free during the day to pursue other essential Caribbean activities such as the watersports and lying in the

There is, however, a sort of fringe festival, with local and regional bands playing jazz in the square at lunchtime in the capital Castries, giving something to the St Lucians themselves.

ideal for an open air concert: it uses the best of the evening cool and the huge backdrop of the black night sky.

Next night, I headed off to see Ronny Jordan, on a small stage set under the aerial roots of banyan trees. There was a robust, raw air to the performance; hard-nodding heads and a jangle of metallic tweaks that kicked and merged into

a smooth, calm rhythm. A St Lucian friend arrived and sat next to me. Most St Lucians are slightly boggled by the fact that the organisation seems to work so well ~ arriving on Caribbean time, she had missed half

the show. We went on to see Chaka Khan: "the diva of soul" as introduced by a screaming master of ceremonies. She was certainly a woman of

enormous voice. There is a strong regional quality to the festival too. Of course, West Indians are great music lovers and they flood in from islands nearby. Luther Francois' set on the final afternoon included the NY Latin

The rhythm slid in and out of salsa, soca and zouk with occasional strains of Bob Marley

Allstars (Puerto Ricans from New York) and Caribbean steel drum virtuosos from Trinidad.

The rhythm slid in and out of salsa, soca and zouk and there were even occasional strains of Bob

As darkness gathered, the throng of people pushed down to the front for the final act: Carlos Santana of all people. I used to listen to him 20 years ago when I was a teenager. He was as impressive as I

remembered, with his liquid, bewitching guitar solos, and as energetic, wandering around the stage with a fistful of maracas, encouraging his brass section to fill the night sky and egging his drummers to new levels of exertion.

The English village fête had transformed into a Caribbean fête (în West Indian parlance the word simply means party - it is the French creole side of St Lucia). Everyone was up and dancing: cedar-blossom man was there and the families had pressed in from the fringes, gathering the guvs from the beer tent.

The crowd was carried on the Latin rhythm, heads rising and falling like cresting waves of a swell. In front of me, three St Lucian girls were moving outrageously, their bottoms going up and down like trumpet keys. This year's festival runs

from May 6 to 10. Acts will include Grover Washington Jr. Jazz Crusaders and Lorraine Carson, Further details from the St Lucia Tourist Board in London. Tel: 0171-431 3675. The jazz festival has a web site at: stluciaiazz.com.

Mustique – a memorial to Messel

Giles MacDonogh finds a string of tasteful villas - and he hopes they stay that way

o much has hap-pened in the recent history of Mustique history or museum that one might be forgiven for thinking the story is 300 years old, and not a mere 30. It all goes back to a vision made flesh by the one-time owner of the island, Cólin Tennant, now Lord Glenconner, who decided to fill his largely uninhabited, waterless island in the Grenadines with villas, and have his sort of people inhabit them.

The first in was Lady Honour Swejdar, nee Guinness, sometime Channon, who Oliver Messel, to make the Messel had retired from the gone to live in a house of his

Messel was a brilliant set told Messel that the spindly tique when Tennant had the mended by Tennant.

designer, but no architect. Fortunately, Tennant had brought in the Swede Arne Hasselquist to lay out the roads and airport, and he was able to interpret Mespartnership grew between selquist was triumphant. the two men which survived about 15 houses until Messel's death in 1978.

built first one then another of the year on the island. villa at the cliffs at the north and now that Glenconner end of the island. She has gone to lie low in his ets. He altered designs in employed a friend of hers, restaurant on Saint Lucia, construction and was ruthhe is the Mustiquain with design for Phibblestown, the longest view. He houses "No darling, not like described working with Mes- that," he would say, and theatre after an accident and sel If Hasselquist wanted then rearrange the furniture. something changed, Messel

columns which were his brilliant idea of giving a trademark would not sur- piece of the south end of the tion by British High Society vive the climate, but Messel promptly got blown away in a hurricane which hit one of sel's working drawings. A his houses on Barbados. Has-

Messel had a brilliant eye for detail. At Clonsilla, Lady Honour's second house -Hasselquist still lives part possibly the loveliest - Messel did everything, including the mirrors and lamp brackless with the owners of his The Channons were

island to Princess Margaret wouldn't listen. Then some as a wedding present on her marriage to Anthony Armstrong-Jones. It so happened that Messel was Armstrong-Jones's uncle, so Les Jolies Eaux was designed by him, too. As the piece was rather big, Princess Margaret brought in her cousin, the photographer Lord Lichfield, to take half of it off her

hands. Lichfield employed Hasselquist to build Obsidian. Hasselquist designed another of the island's best houses in an informal

The process of colonisahad now begun, but it was doomed by the oil crisis of the early 1970s. Bloodstock had to be brought in and the American, Italian, Venezualan and Russian millionaires were not always prepared to accept Tennant's diktot, architectural or otherwise.

Nor were they always happy with the simple, cottagey designs of Messel: Queen Anne dolls' houses with depressed arches framing a sea view, thin columns and pierced baroque arches, and a sage counterpoint of inte-English colonial style which rior and exterior spaces.

promptly demolished it. wanted something imposing. There was a spate of oriental designs with a touch of Hollywood. The oddest was Discovery - where Shogun meets Errol Flynn. Indeed, you half expect the latter to swing down from the rafters during dinner. The master bedroom is an exposed collection of rocks with a pool,

fishing for carp from his cot. a plush restaurant on the Neo-colonial and Mock-Messold to a Russian who medieval vaults and white- The final number of villas to Barbados.

so that you might imagine

some mandarin of legend,

washed walls. Two of Now came post-Messel England's most famous pop-Mustique and the architec- singers arrived and immediture went wild. New money ately plumped for some of the ripest and most outrageous of Hasselquist's fanta-

Tennant was already packing his bags. His dream had been shattered. The Mustique Company took over, headed by Brian Alexander, a former guards officer and the dapper son of the warplace the right tone even after the visionary had fled. eclectic. Oceanus looks like that sense has prevailed. Hotel; tel 809 456 4777.

has been limited to 110. The most extreme figure touted was 5.000. Messel is still the best of

Mustique, and the reason why it is not just a partyisland frequented by the very rich. Visiting the villas, you notice how the Messel designs impose an intimacy which makes them a home. even when they are only inhabited for six weeks of the year. With Clonsilla. Blue Waters, Samabaia and Sea Star, Messel established a canon, a holiday villa in the best possible taste. Let's hope, in post-colonial Mustique, their future is secure. ■ Many of Mustique's villas time field marshal. Alexan- may be rented from the Musder was able to lend the tique Company. Tel: 001 809 458 4621. Fax 001 809 456 4565. Visitors may also stay Historicism went wild or Now old Mustique hands say at Messel's Cotton House

Giles MacDonoah flew would burst into tears. He already established on Mus- was above all that recom- Tennant's Great House was Costa Brava complete with sel have made a comeback. British West Indian Airlines

SPORT

Tennis Youth turns up the heat in Australia

John Barrett feels privileged to watch history in the making

ileged to glimpse the future. Bjorn Borg, a slight, round-shouldered fig- out the French Open chamure at the age of 17. beating Buster Mottram in the junior second round. final at Wimbledon from 2.5 down in the final set: 16year-old Chris Evert carving her way through to the semifinals of the 1971 US Open with metronomic precision and pushing Billie Jean King to the limit; John McEnroe, aged 18. winning eight matches at Wimbledon in 1977 as he roars through to the semi-finals; Martina Navratilova at the age of 17 serving and volleying like a veteran as she leads the Czech team to victory in the Adelaide 21-and-under BP Cup at Torquay: Ken Rosewall, in 1953. playing precision tennis to beat America's Vic Seixas to win the French Championships at the age of 18: Steffi Graf, all arms and legs at the age of 14, taking Jo Durie to 9-7 in the final set in the fourth round at Wimbledon: Monica Seles, a frail 15-year-

They are rare these moments of revelation. And precious. To have witnessed two within the last week has Spadea 6-1 in the final set to been quite extraordinary. The first came unexpectedly in Adelaide. I had arrived at Memorial Drive last Friday to see how Andre Agassi was faring in his attempt to re-establish himself after falling said. out of the top 100 last year for the first time since he

turned professional in 1986. It was hot and burnid on Australian Hard Court Championships. Agassi had

old in 1989, scaring the pants

off the same Graf, by now

the defending champion, in a

nail-biting semi-final at the

French Open: Martina Hin-

gis, aged 12, winning the junior crown in Paris

then you are priv- the draw because he needed the match practice. He was due to play Brett Steven of New Zealand, who had put pion Gustavo Kuerten in the

Around the club there was a good deal of chat about the progress of a local lad who had been given the other wild card after winning a domestic event the previous week. In fact, at 16 years and 10 months, Lleyton Hewitt had already become a minor celebrity by eliminating two fellow Aussies - first Scott Draper and then Mark Woodforde - who has been something of a mentor because they both come from

Hewitt's quarter-final opponent was a good young American called Vince Spadea. The winner would play either Agassi or Steven. Agassi's win in three sets on a scorching afternoon was convincing. The New Zealander had got off to a golden start and won the opening set 6-1. Agassi, looking much leaner and fitter than he had done last year, found his range after recovering from 0-40 in the first game of the second set and allowed Steven only two more games.

year-old American. No one serves, two of them aces. On would have disagreed. In a the other two, he won the night match intermed by showers. Hewitt had beaten set up a meeting against his hero. "It's true. I do have posters of him at home. I can't believe I shall be on the same court as him. It's like a dream come true," he

For Agassi, their match was more of a nightmare. Not that the former world No 1 played badly in losing 7-6, 7-6. It was simply that Hewitt was inspired. Like Agassi, he takes the ball





Triumphant newcomers: Lleyton Hewitt (left), who best his hero Andre Agassi, and Venus Williams, who predicted her victory over Martine Hingls

either flat and fast or with dipping topspin

Like his hero, he is quick about the court. Standing only 5ft 10in, he has to be. What was so impressive was the way Hewitt dealt with the important points. Five times Agassi had break against an embarrassed Bel- "I'm getting better with opportunities. Three times gian girl five years her every match," said the 27- Hewitt hit winning second rallies. There was a fearless intensity about Hewitt's play that was remarkable. The telling lob he hit to turn the second tie-break his way was the work of an instinctive match player.

Afterwards, Agassi admitted he had underestimated his opponent. "I kept thinking he would go away," he said. "I should have given him more heat on those key points." But that would have not been easy, as Jason Stoltenberg discovered in the final, Despite leading 4-2

early, single-handed on the in the third set tie-break, he Jonas Bjorkman in the first forehand, double-handed on was outplayed as Hewitt round of this week's tournathe backhand, and hits it took the next five points. among them another telling lob, for the title.

> "I wasn't nervous at all," said Hewitt. "I suppose I had nothing to lose and everything to gain." What young Hewitt has gained is a new record. Never before has a player as young as this won the first tournament he has entered on the ATP Tour

The only other senior event he has played is last vear's Australian Open where he was a qualifier and lost in the first round. Only two younger men have ever won tournaments on the Tour, Michael Chang was 16.7 when he won in San Francisco in 1988, and Aaron Krickstein was 16.2 when he took the Tel Aviv title in

ability that he should have from such a physically and American who had reached psychologically draining the final of the US Open

ment in Sydney. He even served for the match in the second round against fellow Australian Michael Tebbutt. it was probably no bad

thing that Hewitt lost. He

will need all the time avail-Agassi had asked for a wild card

> able to prepare properly for the Australian Open, which begins in Melbourne next Monday.

needed the

practice

The second moment of rev-It is a measure of Hewitt's elation followed fast on the heels of the first. Venus Wilbeen able to bounce back liams, the black teenage week to beat world No 4 unseeded last September,

had arrived in Sydney last form that had won her three week in good time to accli-

At a press conference held on the eve of the tournament, Williams, ranked 21, spoke of her conviction that she would soon overtake fellow teenager Martina Hingis as the world No I. Eyebrows were raised. Confidence is an admirable quality, over-con-

first. As one of the top four seems to burn the lungs. seeds, defending champion Hingis had a bye. When Dra- not taken more than six gomir retired with a thigh games off the world No 1 in injury after losing the first three previous meetings set 6-4, Williams bemoaned the fact that she was losing did not dismay the Amerithe opportunity for match practice.

Practice was a commodity that Hingis lacked. She had arrived late from Europe, presumably confident that she would slip back into the sprayed far too many errors witness it.

gery on an injured knee. fidence less attractive. Poignantly, the Sydney With so little time to accli- than she had done in New draw had thrown these two matise, Hingis was unlucky York and volleyed well, too.

of the four Grand Slam crowns in 1997. So dominant was she last year that she lost only five times, despite a five-week gap following a riding accident that had required arthroscopic sur-

As Hingis should have remembered, summer after- an opponent who looked a noons in Sydney and Melbourne can be brutally hot. liams served much better together in the second that the day of her match This was a magnificent round, provided that Wil- against Williams was one of example of positive thinking liams could beat Ruxandra those humid scorchers overcoming the skill and Dragomir of Romania in the where every deep breath guile of the greatest match

> The fact that Williams had the last the US Open final can. "I made a lot of mistakes in that match," she said. "I was basically out of control and she took advantage of me playing so badly."

from the back of the court that day, going for too much, learned her lesson. In a magnificent battle, in which both women suffered dehydration and the onset of cramp, Williams beat Hingis 3-6, 6-4, 7-5,

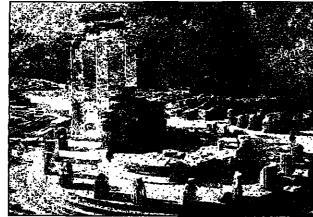
Her power from the base line was simply too much for trifle slower than usual. Wilplayer for her age the game

As the season unfolds, the rivalry that is developing between Hingis and the Williams family - Venus's younger sister Serena beat both Mirjana Lucic and Lindsay Devenport this week - is likely to produce the best tennis since the days of Evert and Navrati-It was true. Williams had lova. It will be a privilege to

FT BY INVITATION

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Tuesday, April 21 to Thursday, April 30 1998



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FINANCIAL TIMES

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Football Think, talk and wear Posh

Antony Thorncroft on a team chairman trying to win over the whole town's loyalty

uesday was blues Peterborough in his own day for the Posh: image. Boizot remembers United, knocked out of the FA Cup by Walsall, and losing out on one of those unexpected windfalls that make life in the lower divisions almost worth living - a fourth round away game at Manchester United.

There was a small consolation for Peter Boizot, chairman and paymaster of the Posh, who is using some of the fortune he made from bringing his Pizza Express chain to market to prop up his home-town team. The attendance of nearly 13,000 was almost three times the average crowd of a year ago. But the Posh have missed out on the big. six-figure.

and counting, money.
"I have told manager Barry Fry that I can afford to lose £1m a year for a few years to come, but I don't really want to," says Boizot. His hope is that he can somehow balance the books and hand over the Posh to the good folk of Peter-

borough. Despite his undoubted business acumen. Boizot nurtures a Boy's Own Paper approach to football. He was born, bred and schooled in Peterborough, and was an obvious choice when the youth team needed some

He was so impressed by the clean-cut, nicely spoken lads that last January he bought the whole outfit, investing almost \$2m in paying off Peterborough's debts and acquiring 97 per cent of

Peterborough going to matches in 1947, when the police band entertained the crowd before the match and supporters swathed themselves in club colours, waved their rattles and enjoying nothing more after the game than a good-natured josh with fans of the opposing team. Rather remarkably he

wants to instil this spirit at Peterborough. He is just back from Green Bay on Lake Michigan to see how an American football team like the Packers can completely win over the loyalty of a small community, and he won't be happy until the people of Peterborough think, talk, and wear the Posh. He is planning a new strip, a new club mascot and much smarter merchandise.

Under tough manager Barry Fry, the players are encouraged to train hard, play fair and become role models for the town. More to the point, Fry has been told he need not sell off his best young players, the inevitable, if self-defeating, financial fallback of most Division Three clubs.

Of course Boizot could be on a dispiriting learning curve. He is already adept at blaming the ref for some of Peterborough's latest reverses, and a recent attempt to draw fellow football club chairmen into his life-enhancing vision proved England's regional musea cruel disappointment. Before giving his heart,

and wallet, to Peterborough, Now he is trying to reform flood (he has raised over ball League suggesting they the other football team Westminster Hockey Club.



Mixing football with museums: Peter Bolzot (right) with Sir Philip

£500,000 for the city by placing a surcharge on his Veneziana pizza); as a patron of jazz; and as a friend of the arts, notably the Royal Academy.

The RA was having problems finding a sponsor for its latest exhibition, a collection of art treasures from ums. Boizot thought it was an excellent idea to link local museums with local

should collectively sponsor the show.

He failed to get a result, and has done the decent thing, finding over £100,000 of his own money to nail the name of Peterborough United as sponsor to "Art When it opens next week manager Fry and the players will be mingling with the art day afternoons shouting on crowd, plus those supporters. lured along by a cut-price still turns out as a player Boizot was best known as a football clubs, and wrote to offer in the Posh pro- as a hockey player for his

bosses have been invited to the party.

Owning a lower league football club is inevitably a labour of love. But Boizot has already gained some satisfaction at Peterborough. By investing around £400,000 a year in the youth team and maintaining a consistent line-up on the field, the Posh are second in the division and on line for promotion. Crowds have risen from 5,000 to 7,000 and more.

There is also the property element. Apart from Peterborough United, Boizot has invested over £10m in the town, buying up and refurbishing a cinema, an office block and an hotel. A successful football team can add some commercial zip to a ning ground improvements which will provide a better shop and restaurant, including a pizza outlet, and a new stand that will offer yet

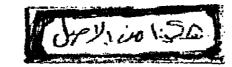
more retail opportunities. The new stand will replace another new stand, which opened two years ago and has proved a disappointment. One of its attractions was its hospitality boxes, which were snapped up by local companies. But few firms renewed for this season. The glass in the boxes steamed up, leaving the guests with a view of their drinks but not of the action

on the pitch. Unfortunately, Boizot cannot spend too many Saturthe Posh. At the age of 68, he preserver of Venice from the the 91 chairmen in the Foot- gramme. Rather graciously, "true love, Hampstead and

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INTERNATIONAL ARTS GUIDE

What's on around the world

M AMSTERDAM

EXHIBITIONS

RY ITHENCARY BA

Rijksmuseum Tel: \$1-20-673 2121 Medieval illustrated histories: the Hausbuch and its Master. Drawings, prints and a panel painting by the the Master of the Amsterdam Cabinet, including the 64 sheets of the Hausbuch, which has been taken apart for restoration, ends tomorrow

Tel: 31-20-5732911 www.stedelijk.nt Malevich: Works on Paper from the Khardzhiev Collection Exhibited for the First Time. Around 80 works, spanning most the whole of the Russia avant-garde artist's career, to Jan 25

BALTIMORE EXHIBITIONS

Baltimore Museum of Art Tel: 1-410-396 6310
A Grand Design: The Art of the Victoria and Albert Museum. First stop of a five-city North American tour of selected objects from the V&A's collection. Consists of 250 works of art ranging from Leonardo da Vinci's otebooks to shoes by Vivienne Westwood; ends tomorrow

BERLIN

CONCERTS Philharmonie Tel: 49-30-2548 8354 Berlin Philharmonic Orchestra: conducted by Nikolaus Hamoncourt in works by Beethoven; Jan 17, 18

E COPENHAGEN

EXHIBITIONS Louisiana Museum of Modern Art, Humlebaek Tel: 45-4919 0719 www.louisiana.dk Francis Bacon: this first major retrospective of Bacon to be mounted in Scandinavia will include loans from around the world; from Jan 23 to

Apr 26 • The Louisiana Exhibition 1997: New Art from Denmark and Scania. First of a planned series of shows which will present contemporary work from the region, this show includes new works by around 50 artists; to Feb 8

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EXHIBITIONS National Gallery of Scotland Tel: 44-131-624 6200 Turner Watercolours: bequeathed in 1900 by the Victorian collector Henry Vaughan, these 38 paintings have been exhibited annually for more than 90 years. The terms of Vaughan's will stipulated that they must not be on permanent display, as he feared the damaging effects of too much light; to

Scottish National Gallery of Modern

Tel: 44-131-624 6200 Correspondences: transferring from the Martin-Gropius-Bau, Berlin, a selection of works by six young Scottlsh and six young German artists. Organised as an exchange, the display includes painting, sculpture, video and light projections; to Feb 1

GLASGOW **EXHIBITIONS**

Burrell Collection Tel: 44-141-649 7151 Sir John Lavery (1856-1941): The Irish Glasgow Boy. Highlights include "The Tennis Party" (1885), "State Visit of Queen Victoria to the Glasgow International Exhibition" (1888), and major portraits in which the influence of Whistier is clearly visible; to Jan 25

■ HONG KONG **EXHIBITIONS**

Hong Kong Museum of Art www.usd.gov.hk/CE/Museum National Treasures: major exhibition assembling some 160 works of art on loan from China's 30 museums. Includes bronzes, jades, ceramics, paintings and tapestries, some of which have never travelled before. The exhibition brings together objects from all over China, and ranges from the Neolithic period to the early 20th century; to Mar 1

LONDON

CONCERTS Tel: 44-171-638 8891 London Symphony Orchestra: Shell LSO 21st Anniversary Concert. Conducted by Elgar Howarth in works by Mendelssohn, Jacobs, Cashlan and Britten; Jan 21

Queen Efizabeth Hall Tel: 44-171-928 8800 London Sinfonletta: Ellott Carter at 90. Oliver Knussen conducts a programme of works by Carter, including the UK premiere of his Clarinet Concerto. With soloist Michael Collins; Jan 19

DANCE -Royal Festival Hall. Tel: 44-171-928-8800 The Royal Ballet Cinderella, Jan 17

EXHIBITIONS Barbican Art Gallery Tel: 44-171-638 8891 . Shaker The Art of Craftsmanship. First major exhibition of furniture and decorative arts from one of the most influential Stiaker communities, Mount Lebanon. The show traces the origins of the Shaker-movement from its origins in late 18th century England through its development in 19th

century America to what became a



Portrait of the artist's wife wearing a kimono, 1901, by Henri Matisse, at the Musei Capitolini in Rome, until Tuesday

philosophy and a way of life; from Jan 22 to Apr 26 The Art of the Harley: 30 customised motorcycles provide the centrepiece of this display devoted to the 95 year history of the Harley-Davidson company; from Jan 22 to Apr 26

National Gallery Tel: 44-171-839 3321 Making & Meaning: Holbein's Ambassadors. This recently cleaned double portrait by Hans Holbein the Younger pictures two French ambassadors to the court of Henry VIII in 1533. Presented alongside are drawings and miniatures, and objects relevant to the painting's political and religious background; to Feb 1

 Recognising Van Eyck: bringing together several rare works by the 15th century Netherlandish master alongside other works; to Mar 15 National Portrait Gallery Tel: 44-171-306 0055 Bruce Weber: first major museum

retrospective devoted to Weber's portraits, this show includes some 200 prints, of subjects ranging from young Hollywood stars to the Duchess of Devonshire; to Feb 15 Hyenas in Petticoats: Mary Wollstonecraft & Mary Shelley. Celebration of the joint bicentenary of the two women writers, the birth of the latter having caused her mother's. death. Through portraiture, drawings and manuscripts the display examines their lives, times and writings; to

Feb 15 Sir Henry Raeburn (1756-1823): previously seen in Edinburgh, this exhibition of some 60 paintings includes the major portraits belonging to the National Gallery of Scotland as well as loans from abroad; to Feb 1

Royal Academy of Arts Tel: 44-171-439 7438 Art Treasures of England: The Regional Collections. Display of some 500 paintings, drawings and sculptures which will tell the history of the public collections outside London, from the foundation of the first university museums in the 17th century to the present. Including works by Canaletto, Hogarth, Turner and Francis Bacon, the exhibition will also seek to surprise with the works of less well-known artists; from Jan 22 to Apr 13

Tate Gallery Tel: 44-171-887 8000 The Turner Prize 1997: display of works by each of the nominees on this year's all-woman shortlist; Christine Borland, Angela Bulloch, Comelia Parker and Gillian Wearing; ends on

Sunday • Turner on the Loire: selection of watercolours, engravings, and a long lost oil which document the painter's tour of northern France in 1826, the climax of which was his journey up the River Loire; to Feb 15

Victoria and Albert Museum Tel: 44-171-938 8500 Carl and Karin Larsson: Creators of the Swedish Style: Recreates five rooms of the famous house at Sundborn, and examines its extraordinary impact on the interior design of our century; to Jan 18

OPERA. Shaftesbury Theatre Tel: 44-171-379 5399 Century America to what occaring a

The Royal Opera: Le nozze di Figaro, by Mozart. Conducted by Charles Mackerras, with designs by Peter Pabst; Jan 19, 21, 22, 23

THEATRE Aldwych Theatre Tel: 44-171-416 6003 Army's View: by David Hare. Transferring from the National Theatre. Hare's play - directed by Richard Eyre - stars Judi Dench and Samantha Bond as mother and daughter

Apollo Theatre, Shaftesbury Avenue Tel: 44-171-494 5070 Popcom: by Ben Elton. Comedy addressing the effect of too much violence in the cinema

Barbican Theatre Tel: 44-171-638 8891 Cymbeline: by Shakespeare. Adrian Noble's Royal Shakespeare Company production; Jan 19, 20, 21, 22

The Mysteries: directed by Katie Mitchell, at the Pit; Jan 19, 20, 21, 22

Lyric Theatre, Shaftesbury Avenue Tel: 44-171-494 5045 Cyrano de Bergerac: by Edmond Rostand, translated and adapted by Anthony Burgess. West End transfer of the RSC production, starring Antony Sher and directed by Gregory Doran

National Theatre Tel: 44-171-928 2252

Othelio: by Shakespeare. Sam Mendes directs a cast which stars David Harewood as Othello, Simon Russell Beale as lago and Claire Skinner as Desdemona; Cottesioe

• The invention of Love: the protagonist of Tom Stoppard's new play is the poet and classic scholar A E Houseman, played by Paul Rhys and John Wood. Richard Eyre directs a production designed by Anthony Ward; Lyttleton Theatre An Enemy of the People: by Ibsen,

in a new version by Christopher Hampton. Directed by Trevor Nunn. Cast includes lan McKellen; Olivier Theatre

LOS ANGELES CONCERTS

Dorothy Chandler Pavilion Tel: 1-213-365 3500 Los Angeles Philharmonic: conducted by Franz Welser-Möst In works by Mozart and Bruckner; Jan 22, 23

EXHIBITIONS Museum of Contemporary Art Tel: 1-213-626 6222 www.MOCA-LA.org. Cindy Sherman: retrospective tracing the New York-based artist's development from the 1970s to the present. Consisting of 156 works, this show presents selections from each of her major series; to Feb 1, then touring

OPERA L. A. Opera, Dorothy Chandler Pavilion Tel: 1-213-972 8001

www.laopera.org Salome: by R. Strauss. Revival of Sir Peter Hall's production, conducted by Richard Hickox; Jan 18, 21

E MILAN OPERA -Teatro alla Scala Tel: 39-2-88791

Il Cappello di Paglia di Firenze; by Rota. Conducted by Bruno Campanelle In a staging by Pier Luigi Pizzi; Jan 17,

MUNICH

EXHIBITIONS Haus der Kunst

 Elisworth Kelly: retrospective of the American abstract painter and sculptor, b. 1923, now in his 70s and one of the most distinguished living artists. Organised with the Guggenheim Museum and previously seen in New York, Los Angeles and London; ends tomorrow

 Joel Shapiro: sculptures 1993-1997; ends tomorrow Juliao Sarmento: display of recent works by the Portuguese painter; ends

INEW YORK

tomorrow

DANCE New York City Ballet, New York State Theater

Tel: 1-212-870 5570 Jewels: by Balanchine, to music by Fauré, Stravinsky and Tchaikovsky;

EXHIBITIONS Metropolitan Museum of Art Tel: 1-212-879 5500

www.metmuseum.org Francesco Clemente: Indian Watercolours. Album made by the Italian contemporary artist in Índia over the last two years; to Feb 8 Gianni Versace: this tribute to the late Italian designer explores the influences upon his work of abstract artists including Warhol, and of historical styles ranging from Greek and Roman classicism to 18th century court styles, and the Vienna Secession.

The show also explores his use of new materials such as plastic and leather, and includes designs for the theatre; to Jackson Pollock (1912-1956): Early Sketchbooks and Drawings, Display of

48 rarely seen pages from the Abstract Expressionist's sketchbooks, and 24 drawings. Includes studies and portraits; to Feb 8 John La Farge: more than 30 paintings and stained glass windows by the 19th century American artist; to Jan 25

 King of the World: A Mughal Manuscript from the Royal Library Windsor Castle. The Padshahnama, by

Broadhurst Theater, 235 W. 44th St. Tel: 1-212-239 6200 Proposals: by Neil Simon. Nostalgic family drama, directed by Joe Mantello

Broadway at 45th St. Tel: 1-212-719 1300 A View from the Bridge: by Arthur Miller. Roundabout Theater production directed by Michael Mayer. Anthony aglia plays Eddie, Brittany Murphy his unfortunate niece

Music Box, 239 W. 45th St. Tel: 1-212-239 6200 The Diary of Anne Frank: newly adapted by Wendy Kesselman, directed by James Lapine and starring Natalie Portman

PARIS CONCERTS

> Salle Pleyel Tel: 33-1-4561 6589 Orchestre de Paris: conducted by Gilbert Varga in works by Strauss, Kancheli and Dvorák. With cellist Mstislav Rostropovich; Jan 21. 22

Théâtre des Champs Elysées Tel: 33-1-49525050 Russian State Symphony Orchestra: conducted by Evgueny Svetlanov in

works by Sibelius and Stravinsky. With violin soloist Dimitri Makhtin; Jan 20

EXHIBITIONS Musée Carnavalet Tel: 33-1-4272 2112 Paris and the Parisians in the time of Louis IV: more than 300 engravings, which together create a vivid

impression of 17th century Paris. Including portraits, Images of the city and its monuments, as well as proverbs, allegorical works, and Imanacs; to Jan 18

Musée du Louvre Tel: 33-1-4020 5151 www.louvre.fr

Pajou, sculpteur du Roi: first retrospective devoted to works by the French sculptor (1730-1809), successful in the French Royal Academy of Painting and Sculpture and a favourite of Louis XV and Louis XVI. Includes marble statues, portrait busts, terracotta sketch-models, and drawings including designs for the



Detail from 'The Triumph of Death', 1626, by Pleter Brueghel the Younger, copied from a work by his father Pieter Brueghel the Elder. At the Kunsthistorisches Museum, Vienna

opera at Versailles. Ends on Monday. then travelling to New York

M ROME

Abdul-Hamid Lahawri, made for the

Whitney Museum of American Art

concurrently with the Warhol show, this

industries, from early fashion newsreels and the studio designers of the 1930s

Fashion and Film: running

film and video series traces the relationship between the two

to the present; ends tomorrow

The Warhol Look/Glamour Style

500 works of art, following Warhol's

career from the 1940s to the 1980s,

and also including works by his contemporaries. The exhibition is

presented in seven sections, and

early fascination with Hollywood

mour; ends tomorrow

Mauro Pagano; Jan 21

Ramey; Jan 17

THEATRE

OPERA

Fashion: major retrospective of around

begins with a consideration of Warhol's

Metropolitan Opera, Lincoln Center Tel: 1-212-362 6000

production by John Cox, with sets by

La Cenerentola: by Rossini. Met

staging by Cesare Lievi, with designs

by Maurizio Balo; Jan 20

The Rake's Progress: by Stravinsky.

New production by Jonathan Miller,

includes Dawn Upshaw and Samuel

conducted by James Levine. Cast

Opera premiere. New production

conducted by James Levine in a

www.metopera.org

● Capriccio: by R. Strauss. New

Tel: 1-212-3272801

EXHIBITIONS

Musei Capitolini Henn Matisse: more than 200 works are included in this major exhibition, which aims to demonstrate the profound influence of Oriental art upon the great modernist. In 1910 Matisse travelled to Munich to see the first major exhibition of Islamic art, and examples of Islamic and Byzantine art here provide a context in which to regard works by Matissse; ends on

Palazzo Ruspoli Tel: 39-6-6830 73-14 www.palazzoruspoli.it Fayum: Mummy Portraits. Previously shown at the British Museum in London, this exhibition contains nearly 200 portraits. Painted on wooden panels, linen shrouds, cartonnage or three-dimensional plaster masks, they were created during the first three centuries of Roman rule in Egypt; to Feb 28

Palazzo Venezia Tel: 39-6-6999 4259 Pietro da Cortona (1597-1669): celebrating the 400th anniversary of the birth of the Italian baroque artist, this retrospective comprises around 100 paintings, as well as architectural drawings and a group of sculptures. Cortona was responsible for ceilings in the Palazzo Barberini as well as decorative schemes in numerous other Roman churches and palaces; to

OPERA Teatro dell' Opera Tel: 39-6-481601 www.themix.it Le Nozze di Figaro: by Mozart. Production for the Teatro Comunale in Florence by Jonathan Miller. Conducted by Hans Graf, with sets by Peter J Davison; Jan 22

■ SAN FRANCISCO

OPERA San Francisco Opera, War Memorial Opera House Tel: 1-415-864 3330

www.stopera.com Le Nozze de Figaro: by Mozart. Conducted by Ivor Bolton in a staging by Graziella Sciutti; Jan 17 Tosca: by Puccini. Conducted by Maurizio Barbacini in a staging by Lotfi Mansouri. Georgina Lukacs sings the

VIENNA EXHIBITIONS

title role: Jan 18

Jüdisches Museum Tel: 43-1-535 0431 www.jmw.at

Max Liebermann: selection of paintings by the German Impressionist dating from the period 1900-1918. Also on display are French Impressionist works he collected; ends tomorrow

KunstHausWien

Tel: 43-1-712 0495 Herb Ritts: first European retrospective of work by the American photographer. Previously seen in Boston, the exhibition ranges from portraits of Hollywood celebrities to images of Africa: ends tomorrow

Kunsthistorisches Museum Tel: 43-1-525240 Pieter Brueghel and Jan Brueghel: comprehensive survey of the art of the two sons of Pieter Brueahel the Elder. Includes around 130 paintings and 20 works on paper by Jan Brueghel the Eider (1568-1625) and his less celebrated prother Pieter Brueghel the Younger (1564-1637/8). The exhibition also includes a dozen important works by their father, enabling visitors to

trace his influence upon the technique

WASHINGTON

of his sons; to Apr 14

EXHIBITIONS National Gallery of Art Tel: 1-202-737 4215 www.nga.gov Lorenzo Lotto: Rediscovered Master of the Renaissance. 50 paintings, many of them on loan from churches and museums in Italy. To Mar 1, then touring to Europe

OPERA Washington Opera Tel: 1-202-295 2400 www.dc-opera.org Doña Francisquita: by Vives. Conducted by Miguel Roa in a staging by Emilio Sagi, with choreography by Govo Montero: Kennedy Center Eisenhower Theater; Jan 17, 20, 23 L' Elisir d' Amore: by Donizetti. Conducted by John Keenan in a staging by Stephen Lawless, with designs by Johan Engels; Kennedy Center Eisenhower Theater; Jan 19, 22 The Magic Flute: by Mozart. Revival conducted by by Heinz Fricke and directed by Sonja Frisell. With designs by Zack Brown; Kennedy Center Eisenhower Theater, Jan 18, 21

ZURICH EXHIBITIONS

Kunsthaus Zurich Tel: 41-1-251 6765 Amold Böcklin, Giorgio de Chirico, Max Ernst: Voyage into the Unknown, comprising 130 paintings, collages and sketches; to Jan 18

OPERA Zurich Opera Tel: 41-1-268 6400 Oberon: by Weber. New production staged by Johannes Schaaf, conducted by John Eliot Gardiner in his Zurich Opera debut; the first night is Wednesday

Arts Guide by Susanna Rustin e-mail: susanna.rustin@ft.com Additional listings supplied by ArtBase Tel: 31-20-664 6441 E-mail:artbase@pi.net

Weekend Investor

Wall Street

A year for investors to play it safe

Picking the right sector is more important than ever, writes Daniel Bögler

the Standard & Poor's Composite index produced a total return of more than 33 per cent, the third straight year of out-sized gains. Provided capitalisation stocks or, even better, to index-tracking funds, they will have been rewarded handsomely.

This year promises to be very different. Growth in US corporate earnings is set to fail from 11 to perhaps 7 per cent as Asia and a slowing domestic economy take their

Even assuming a further expansion of price earnings multiples on the back of lower interest rates and inflation, most equity strategists are forecasting more modest total returns of around 10 to 15 per cent.

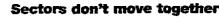
In this tougher environment, the onus will be back them a reliable choice duron active stock-pickers to choose the right sectors.

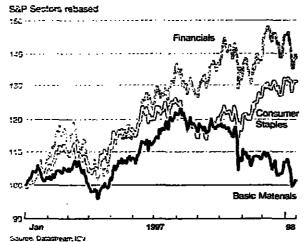
Financials, last year's star performer which beat the companies increase drug use S&P Composite by 15 per cent, remains a firm favourite with most analysts. John Manley, strategist at Salo- are all launching promising mon Smith Barney, points to new products. consolidation, cost cutting and reduced cyclicality as the fundamental attractions

behind commercial banks. Admittedly, the international money centre banks. such as Chase Manhattan. Citicorp and BankAmerica, have substantial exposure to Asia, but their shares have provider, showed how rapheen hit accordingly and now stand at steep discounts to the market. Meanwhile, ings and a number of other investors should continue to software and components benefit from the wave of takeovers sweeping through the domestic regional banks. which has driven prices to

simply because there are few significant targets left. But the earnings momentum and geographical balance of the big investment banks and brokers - Merrill Lynch and Morgan Stanley Dean Witter spring to mind - ought to ensure another good year for

Healthcare stocks should produce another strong showing after their 10 per cent outperformance of the pharmaceutical groups are





per cent premium to the their solid double-digit earnings growth and defensive qualities make ing volatile times.

Volumes are rising steadily as managed care to shorten expensive hospital stays, and Warner-Lambert, Pfizer and Merck The third sector on most

lists is technology, which has had a rotten time since the Asian crisis blew up last autumn. Some of that underperformance has been for good reasons. The dramatic December profit warning from Oracle the database idly falling demand in Asia has spilled over into earnsuppliers, such as 3Com. have also disappointed.

Yet Intel's better than

expected results this week showed that stronger sales By contrast, the pace of in Europe were making up consolidation on Wall Street for much of the Asian weakitself is likely to slacken, ness. This suggests companies with a dominant market position, such as Intel in semiconductors or Microsoft, should continue to fare well. Moreover, personal computer makers such as Dell, Compaq and Hewlett-Packard, which have strong, low-cost business models. look ideally placed to con-

and outperform. Led by such stocks, Lehman Brothers' analyst Arun index in 1997. While the big Kumar argues that the techs as a group should produce

tinue to win market share

trading at a demanding 40 the best returns of any sector during 1998.

Consumer companies are a more difficult call. If this year is as difficult as expected, large multinationals such as Coca-Cola. Gillette and Procter & Gamble look like low-risk bets. But, given the slowdown in economic growth at home and cheaper imports because of the dollar's strength, consumer stocks will generally find it difficult to raise prices and margins.

The same is true of the more cyclical consumer groups, such as car makers and house builders. Similarly, oil and energy stocks have to overcome falling oil prices, while telecoms and utilities, particularly electricity generators, will spend 1998 wrestling with deregulation and increasing competition. Basic materials, especially mining and steel, also look unattractive given falling commodity prices and overcapacity.

Against a background of falling market returns, the best advice for investors determined to remain in equities is probably to play with large-cap companies in defensive sectors such as healthcare. of the better quality tech

Dow Jones Ind Average

Monday	7,580.42 - 2 <u>222.2</u> 0
Tuesday	7,647.18 + 66.76
Wednesday	7,732.13 + 84.95
Thursday	7,691.77 - 92.92
Friday	
1	

Little does not go a long way

Small companies have faltered, says Philip Coggan

tiful in stock market terms, but no longer. Having been taught in the 1980s that smaller company stocks beat their larger brethren over the long run, investors have seen that principle negated in the

If the investment catchphrase of the 1980s was "elephants don't gallop", the good big 'un will always beat a good little 'un".

Why has investing in smallcaps suddenly become such a washout?

Elroy Dimson and Paul Marsh of the London Business School, who did a lot of the pioneering work in discovering the UK small company effect, have tried to

come up with an answer. From 1955, the Hoare Govett Smaller Companies index, which they developed. outperformed the FTSE All-Share index by 6 per cent a investors been poor, the preyear, since then it has under-

SmallCap relative to the FTSE 100 index

Highlights of the week

Sainsbury (J)

Savoy Hotels A

Small comfort

shift can be found in the fundamental performance of the companies concerned.

Over the 1955-88 period, real dividend growth in the small company sector was 3.3 per cent a year, as opposed to just 1.5 per cent

The result was twofold: investors earned greater returns from smaller stocks and they were, accordingly, willing to pay a greater pre-mium for small companies. forcing up share prices in the proces

Since 1989, the real rate of growth in smaller company dividends was just 0.9 per cent, compared with the 4.2 per cent growth achieved by

larger groups.
Small wonder that smaller stocks have underperformed. Not only have the returns to

mall used to be beau- performed by the same small companies has just tiful in stock market amount.

about disappeared (the FTSE According to Dimson and SmallCap [ex-investment. Marsh, the reason for this crust] index now trades on a higher yield than the FTSE

> Why has the underlying performance of small companies been so bad? In part, this could be due to changing economic and industrial

in the 1960s and 1970s, large UK companies were notoriously inefficient and over-manned, and it was possible for small companies to be more flexible and (proportionately) profitable. More recently; however,

successful in restructuring and cutting costs As a result, they have gained the advantages of pricing power and economies of scale in a highly competitive

large companies have been

global market. Sectoral factors are an issue, too. The large company indices contain a high proportion of banks, phar-



'A good big 'un will always beat a good little 'un'

industries where economies aller indices are weighted towards engineering, where it has proved much more difficult to build global busi-

There are few signs, as yet, of those trends changing in 1998.

Meanwhile, for small and large companies alike, the week started on an ominous note after the collapse of Peregrine Investments, a Hong Kong investment bank, and Wall Street's 222point drop on the previous

For a while on Monday, it looked as if the markets were re-living the mini-crash of last October, the FTSE 100 index was down 150 points at the day's worst. But Wall Street recovered quickly, and rallies in Asian markets on Tuesday and Wednesday restored something of a measure of calm.

On Thursday and Friday, the solid underlying position of the UK market took over (the high level of institutional cash holdings and the prospect of more cash from buy-backs and takeovers) have been heightened by the and Footsie marched ahead British Retail Consortium to within 67 points of its survey, published on the all-time closing high.

once, came from domestic high street before Christ-Wednesday's announcement of an increase in the annual rate most attention to wage presof average earnings growth, sures, high street sales, manto 4.75 per cent, was a sign of ufacturing output or events the wage pressures building in Asia? Its decision could be up in the economy.

brought forth cautionary the rest of the year. comments from Eddie

George, the governor of the Bank of England, and was seen widely as making yet another rise in interest rate more likely when the Bank's monetary policy committee meets next month. While good news for those

1.27

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1.0

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Results due mext

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an edatis.

the Materialist

BU DATOZACO

of us in employment, the nothing but bad news for the equity market

Either employers will pass on higher wages to customers in the form of higher prices, and the Bank will raise interest rates in response; or businesses will prove unable to pass on their higher labour costs and their

ted to be steady or falling in response to the Asian crisis. seems likely to increase the upward pressure on sterling. Signs that exporting is emerged in Monday's manufacturing output figures,

which showed a 0.4 per cent

drop in November. But the Bank's dilemma in setting monetary policy will same day, which revealed a The main sour note, for last minute dash to the

So, does the Bank pay crucial in setting the direc The news immediately tion of the stock market for philip.coggan@FT.com

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Tony Jackson

+132%

+201/2

+80

+20

+62

+8½

+12

1072

102

322

+107½

530

1600

1079

1101/2

351

1157%

2521/2

Walking a tightrope

Will the world fall off? Not quite yet, with luck

Survey, US fund managers are,

on balance, bears of US equities

at present. Nearly half think the

market is over-valued and none

would be unnerving were it not

for one fact: a year ago, the same

managers were more bearish on

US equities again.

at all thinks it is cheap. This

s this week showed again, the big theme in the two-way pull of the Asian crisis. On the one hand, we have damage to the west's corporate earnings and perhaps - to its economic growth. On the other, we have downward pressure on inflation and interest rates. Add the remote but appalling risk of systemic damage to the world banking system, and what do

vou get? A pretty fine balance, it would appear. The US equity market, for instance, might be immensely jumpy but the broad Standard & Poor's index is less than 3 per cent down from its December peak, and 25 per cent up over the past year. Even the Nasdag index, with its supposedly Asia-vulnerable high tech stocks, is still well up on a year ago in spite of a 13 per cent fall from its peak.

In Europe, the picture is similar. The UK's FTSE 100 index is only I per cent off its high. And, while the damage to some Asian markets has been horrible, the world equity index is only 8 per cent off its peak in dollar terms, and 10 per cent up on the year. All the while, of course, bond prices in the US

and Europe have been rising. It is now three months since the crisis gripped the markets. If, after all that time, this is their considered reaction, portfolio investors might well ask what all the fuss is about. It would not do to be too sanguine. One unsettling aspect

of the crisis is that each time it

seems to have settled down, something else falls off with a bang; and Chinese devaluation, should it happen, could be the biggest bang of all. Let us suppose, though, that we have seen the worst of it. Are the markets right to be so apparently unconcerned?

As ever, much of the answer lies with the US, especially given its present role as engine for the world economy. Its fourth

So, everything is all right, then? For now, quite possibly. Further out, I can think of at Each time the crisis seems to have settled down, something

quarter results season will be more delicate than most, with the big global companies showing their bruises from Asia and the soaring dollar. The first bulletins this week, though -Intel good, Motorola less so gave little to worry about,

As for the domestic US economy, a bullish case is emerging cautiously. The fall in bond yields is a stimulus to activity in general. Consumers are being helped by lower interest rates and the recent sharp drop in the oil price. All this comes at a time of rising wages and full employment, plus the wealth effect provided by Wall Street itself; and the beauty of it is that the Asian crisis makes the Federal Reserve less likely to intervene.

Not that the average institutional investor necessarily sees it that way. According to that handy publication, the Merrill Lynch Gallup Global

else drops off with a bang The first is micro-economic. Wall Street is still being helped along by share buy-backs. Increasingly, as a result of

recent changes to the tax regime, so is London ~ one example this week being Rio Tinto. Whatever the merit of individual cases, this plays to the received idea that debt is a good thing per se. On the other side of the world, this idea is being disproved to stunning

This is not to say that US or UK companies, like their ounterparts in Korea or Indonesia, are committing the folly of borrowing hugely on overdraft in unmatched foreign currencies. On the contrary, the fall in long-term interest rates has led to something of a boom recently in the issuance of corporate bonds.

The worry is rather that the long bull market has spawned the naive belief that a highly

geared balance sheet is the key to shareholder value, in good times or bad. As elementary financial theory shows, this is simply fallacious. It is also faintly worrying that some companies have apparently taken to justifying their debt levels in relation to their market capitalisation which, in a bubble market, would be a recipe for

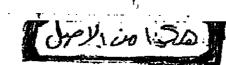
In macro-economic terms, the worry is different and rather less tangible. In the long run, the more western markets take comfort from the distress of Asia, the more they risk the folly of believing their own propaganda.

There is an unsettling parallel to be drawn between Wall Street now and the Tokyo market a decade ago. Last summer, the consensus was that Wall Street was over-valued. In the summer of 1987, the consensus was that Tokyo was screamingly so. in both cases, the market was looking in the wrong place. In-1987, it was Wall Street which collapsed instead:

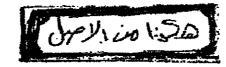
Tokyo's ability to shrug that off was taken as further evidence that it was indeed special: that normal rules of valuation had ceased to apply. The market then rose a further 50 per cent before falling apert. With hindsight, the nature of

the Japanese bubble seems perfectly obvious it was less apparent 10 years ago-It is equally hard to see real structural flaws in the US economy today. But, remember the old rule: if it all looks too good to be true, it probably is.

Offshore managed funds and UK managed funds are listed in Section One







WEEKEND INVESTOR

Directors' dealings

West Brom purchase

Football club stocks are suffering in the market at the moment but that did not stop Paul Thompson, a non-execu-tive director of AIM-listed West Bromwich Albion, buying

In contrast, the insurance sector is very much in fashion with investors these days and it was interesting to see David Low, the chairman and chief executive of Windsor, bought

777,500 shares at 10.50. He now holds 5.5m shares, about 11

per cent of the share capital. This follows an upbeat trading

There was a large sell by Jean-Louis Croquet, the deputy

chairman of media and publishing group Taylor Nelson

AGB. He sold 5m shares at 87p taking his holding to 9.2m

shares. This follows a sale of 5m two weeks ago at 75.8p. No

255.0 (258.6)

3,430 (2,426)

54,000 (48,500)

14,500 (10,500)

4,106 (2,480)

4,360 (3,178)

398,1 (246,38)

Oct 8.38 (73.53) 0.69 (2.84)

115.69 (-)

Last week's interim results

226L (1,950)

8.97 (7.81)

10.51 (8.75)

0.004 (1.5)

1.17 (3.15)

56.1 (44.2)

2.76 (2.3)

. . 8.4 . (7.0)

0.19 (-)

. 83.8: (101.4)

2,160 (2,180)

8,540 (5,030

5,810 (5,040)

102.1 (98.4)

77,100 (57,500)

16,500 (15,600)

112.97 (35.88)

41.81 (23.68)

4,310 (2,810)

5.770 (4.200)

371.7 (313.9)

10,800 (7,820)

Bdn / Aug . 131 (191)

77.0 (159.0)

2,850 (1,220)

7.35

245 15114 99.75 Filmt lak Corp

476 3931/4 3.45bn Richemont

481/2 401/2 73.05 Alchemy Partners

225 185 11.04

235 2051/2 9.12

13.75 United Inds

Prog Oct 4,096 (3,020)

LAN Del ... 10,100 (7,408)

ses are for the corresponding period.) "Dh

E Current takeover bids and mergers

114 103

2014 20

InTr Novi

inTr Octt

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115°

First Call 101/4* 10

Merchants Trust∳

Slam Selective

3.7 (2.75)

2.2905 (1.8341)

0.5 (0.5)

6.48 (5.4)

24 (1)

2.45 (2.25)

4.25 (4.25)

5.1 (4.62)

0.45 (0.4)

14-11

1.2 (-)

1.3 (0.9)

2.9 (2.4)

20 (1.5)

3.5 (3.3)

·- (-)

- (-)

.1.8 (1.65)

26 (1.7)

1.55 .11.375

1.8 (1.4)

* 0.95 (0.9)

1.7 (1.6)

0.2 (0.9)

Last week's preliminary results

2,500 shares at £160 each, writes Ion Forrest.

statement after final results in mid-December.

reason was given for the sales.

West Bromwich Albion

NUARY THANKARY

Company	Sector	Shares States at the state of	Value £'000	No of directs
SALES			•	
Progmore Est	Prop	60,000	288	2
Men (ED & F)	FPro	3,050,000	7259	4
Ryl Berik Scotland	Bnks	10,000	78	1
Stagecoach Holdings	Tran	24,099	186	1
Thorntons	RetF	60,000	144	1
Tinsley Robor	PP&P	21,000	30	2
United News & Media	Mdia	50,000	384	1
Wessex Water	Watr	29,938	151	1
Yorkshire Water	Watr	12,000	59	1
Kingfisher	RetG	65,300	532	1.
Scottish Power	Elec	56,942	289	2.
Stagecoach Holdings	Tran	25,702	198	1.
Whitbread	Brew	27,900	242	1.
PURCHASES		•		
AIT Group pic	SSer	11,834	21	2
ASTEC (BSR)	E&E	50,000	58	1
Automotive Precen	EngV	1.026.100	167	2
BTR PIC	Divl	410,000	735	3
Capital Gearing Tst	InvT	14,500	113	1
Comino PLC	SSer	15,000	18	1
Crabtree Group	Eng	20,000	15	2
Dowding & M.	Eng	51,730	38	1
Elec. Data Proc.	EAE	200,000	106	1
Ennstone	BM&M	30,000	17	1
Group Trust	InvT	100,000	46	1
Helphire Group plc	Tran	10,895	30	3
Murray Emerging Ec	invT	50,000	32	1
NatWest	Bnks	5,000	49	1
Princedale	Mdia	300,000	53	1
Schroder Ventures I	lnvT	25,000	40	1
Scottish Radio Hold	Mdia	37,400	139	1
Secure Trust	OthF	80,000	488	1
Sterling Publishing	Mdia	342.500	69	3
TGI	E&E	90,000	52	3
United Biscuits	FPro	7,575	17	2 .
Universal Ceramic M	BM&M -	56,500	44	3
Wagon Industrial Ho	Eng	13,000	37	2
Wembley	LAHI	35.000	93	2
Companies must notify the	Stock Excha	w evil niddw ega	orlding day	s of a sha
transaction by a director.	inks hist con	payns all transac	nons (Aster	D SANCIA

The week ahead

MONDAY: Ashtead Group. tor, is expected to announce the plant and machinery full-year pre-tax profits of hire company, reports about £21.5m before excepresults for the six months to October 31, and a pre-tax fig-tional gain of £500,000 is also ure of about £16.6m (£14.4m) expected. At the interim is expected by some ana- stage, it reported pre-tax lysts. The results last time profits up 24 per cent to were affected by falling hire £6.7m. W&P last year rates in the UK and a stag- revealed plans to double the

7 Feb. 251

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. - Jan 127

nating construction indus- number of its Alldays convenience stores to 500 by 2000. TURSDAY: Somerfield, the THURSDAY: John Menzies, supermarket chain, is due to the distributor and retailer, report interim results and NatWest Securities expects

reports interims and SBC Warburg, the company's brothe retailer to reveal pre-tax ker, expects pre-tax profits of profits 3 per cent ahead at about £1m (£2.6m). Although the figure will be for the six months to end-October, the WEDNESDAY: Watson & company is expected to Philip, the food distributor update investors on Christand convenience store opera- mas trading.

Results due next week

					Dividend [P .			
	Company		Associant	Last yes	Elect.	This			
	Company	Sector		· 41100 1811 ·	Lateral				
	FINAL DIVIDENDS.			-					
	Cardiff Property	Prop	Monday	.0.9	1.95	1.0			
	Cardiff Property First Leisuro	LEH	Thorsday	251 ∵-	5.93	254			
	Lonnho	Dvia .	Thursday	1.25	1.75	1.25			
٠.	Lonno	SoSy .	Wednesday	25	5.0	25			
	Ultrakense	Bolida .	Wednesday						
	Usher of Tombridge	Втака	Tuesday.	-	-	- :			
	Loden Uitzarame Uittes of Tombridge Watson & Philip	REFd	Wednesday	5.3	12.2	5.7			
٠	INTERM DIVIDENDS								
	Adacene	Med	Monday ·	3.5	5.0	-			
٠,	Barbour Index	Med	Tuesday	3.15	6.85	-			
•:	Barbour Index Buckgraft	SnSv	Tuesday .	0.25	D.75	≜ *†			
•	Daelan -	Pron	Thursday	16.0	6.0	- '			
j	Daejan Mokay Securates	Prop.	Wadnesday	23	46	골상			
•	Mencles Linho	RiGa	Thursday	4.8	9.0	- `			
. :	Menzies (John) Ming	SeS -	Menday	0.9	11 (3	-:::::			
•	Panetinetain Fetatoe 11	Exto	Tuesday	0.5	-	.=.			
٠,	Bangnin, Millionit Z-San	Phone	Thursday	D.248	1 6 34 (1)				
	SPI	Rose	Wednesday	1.25	0.4				
	SPI WE Beckrical	ESOP.	Ericati	40	410 -	2			
٠.	and makes the state of the state of	, , , , , , , , , , , , , , , , , , , 	distant.						

Northern Leisene is to raise \$20.6m via a placing and offer of 5.4m shares at 400p. Protect Group is seeking a full London listing.

Bids/Deal

British Airways and Lot vene in the £1.1bn hostile bid Polish Airlines are joining by Hercules, the US-based holder approval to buy back the deal should be referred forces to develop a central chemicals group for Allied up to 10 per cent of its to the Monopolies and Merg-European metwork, BA said Colloids, the UK chemicals equity. Analysts said a full ers Commission. H might take an equity company.

buy-back programme could Shandwick International, stake in the state-owned EMI and Sony are cost about \$1.5bn (£940m).

Carrier and a formal agree believed to have dropped out The Takeover Panel has confirmed it was in preliminating the programme of the public relations firm, carrier and a formal agree believed to have dropped out The Takeover Panel has confirmed it was in preliminating the public relations firm, carrier and a formal agree. ment is expected by the of the bidding for Boosey & stopped the clock on Quebe- nary talks with a number of Spring.

Hawkes, the classical music cor's hostile £188m bid for business partners. These Hargaret Backett, the UK publisher and musical Watmoughs, the UK printer. could lead to a full offer Trade and Industry Secre-instruments company. The delay will allow more being made for the com-

group, has sought share- Trading to decide whether buy-back programme could

Shandwick International,

has remaid to inter. O Rie Tinto, the mining time for the Office of Fair pany.

In the Pink

Speaking in tongues won't do at work

The European Union's language will be English - the language of the world, argues Brian Reading

French Alps (my wife skis. I don't) to escape the Asian crisis and bave time to read. than Eric Hobsbawm's Age of Empire 1875 to 1914. But. before revealing how it inspired this article, a small

We took the supposedly non-stop Eurostar ski train from Waterloo direct to Moulier, around 37 miles from our destination, Notre Dame de Bellecombe. But the train did stop, unavoidably, at Albertville, which is much nearer Bellecombe than Moulier.

Naturally, we wanted to door to the platform.

here is nothing 1890, and no state secondary

like a non-skiing schools until 1902. Hobsbawm says: "A national - ie. an over-

get off - but we were stopped by a conductor. 'Why can't we get out?" we asked. "Because the train does not stop here," he answered. We found it mpossible to convince him otherwise, even though he was standing at the open

We were not as smart as a friend, who later recounted a similar experience. He mistakenly boarded a nonstop train which, fortuitously, was held up by signals at the station he wanted. After alighting, a guard told him that he could not get off because the train did not stop there. He replied: "Then I can't

This digression concerns the difficulties people have in communicating with one another. Hobsbawm discusses the extension of state education and literacy in the late 19th century. It might be common knowledge, but I was amazed to discover that Britain had no state schools or public education until 1870, no compulsory education until Universal literacy, Hobs- minimal. Each year, 17 per

brought people from different places into closer contact with one another. Master no longer knew man. Written communication had to replace verbal. But, that raised a further problem. As

whelmingly state-organised language. It will come, of and state-supervised - edu- course; that is inevitable, cational system required a particularly as the EU

All post-graduate Japanese students must read and write English. The French language, increasingly, is confined to menus in restaurants

instruction." As late as 1914, British regiments had to be based regionally. A Cockney could not understand a Glaswegian, nor a Cornishman a Geordie. The significance of universal education was that it led to single languages which, in turn, promoted a sense of nationalism. By this means, Hobsbawm maintains, "the

French republic turned peasants into Frenchmen". In less than a year, up to a dozen European nations will move to a single currency. This, clearly, puts the cart before the horse. Every economist knows that the efficient operation of an optimal currency area requires mobility of labour. Without it, there will be areas of persistent stagna-

bawm argues, became nec- cent of Americans move. essary as the size of organi- and a quarter of them relosations increased while cate from one state to easier and cheaper travel another. But, only 5m out of 360m EU citizens live outside their country of birth fewer than 2 per cent. The lack of a single European language is the biggest

obstacle to mobility. The single currency and single market will not work successfully without such a

national language of expands. It cannot possibly continue to conduct all its business in every tongue That single language will

be English. Indeed, it is happening already. A survey of documents translated by the European Commission has shown that 42 per cent were written in English originally compared with 40 per cent in French and only 6

When the EU was founded as the European Economic Community, virtually all its documents were written any other language. It is six first in French. But, it is times more useful than obvious why English will French. Indeed, adopting take over. It is already the English as the European world language for air traf- common language is the fic control, the internet, much of international finance and business, most films and pop music. It is cation because it gives unri-

Compared with the US, valled access to publications labour mobility in the EU is and research; indeed, all it. French, increasingly, is confined to restaurant

menus. English cannot be measured by the number of people for whom it is their native tongue. The fact that hundreds of millions of Chinese speak Mandarin or Cantonese hardly matters, since they have little contact with others who speak different

The more developed a country and the higher its per capita income, however the greater its international contacts are likely to be The importance of a language should, therefore, be calculated on the basis of the share in world GDP of those who speak it.

An analysis of the 100 largest economies by size of GDP shows that English is spoken by people who produce one-third of world output. People who speak Chinese produce 10 per cent. Spanish and German 7 per cent, French 5 per cent, and Arabic 3 per cent. Indians. who speak mostly Hindi, account for only 2 per cent of world output.

In an increasingly integrated global economy, the European single market will inevitably conduct its business in English. The ratio of reward-to-effort from learning English as a second language vastly exceeds that of only way the Union will

the language of higher edu- tor of Lombard Street

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FINANCIAL TIMES

FTWEEKEND

True Fiction / Kieran Cooke

Massaging the facts of life

in many guises. A relative of my wife endured several years in a Singapore prisoner-of-war camp only to be knocked into the afterlife, soon after being released, by a crateload of corned beef dropped from a passing US food relief aircraft.

A French friend, a purveyor of the more exotic types of women's underwear, was raising his arm for another bottle of champagne in a Lyons restaurant while gobbling pâté de foie gras when he froze, pole-axed by a coronary. His table companion, one of the models for his goods. died the same night after falling into an open manhole whose cover was stolen by a British gang illicitly supplying a local scrapyard with raw materials.

Recently a housewife in Florence collapsed and died at her husband's funeral after hearing the words "Let me out of here, I'm hungry" coming from the coffin. Apparently the husband had dabbled in amateur theat- hamam, or turkish bath, tucked

thought a spot of voice throwing would be appropriate.

These macabre thoughts ran through my addled brain last here," said one moustachioed week as I gazed into the netherworld. That I have managed to claw my way back to life is a miracle of Lazarus-like propor-

I was in Istanbul, attending a conference at the Greek Orthodox patriarchate. Though the subject - the great schism of 1054 - is one of particular interest to me, I must confess to being overcome with a sense of ennui after three days of Byzan-

tine discussions. I decided to dodge the proceedings and head for one of my favourite haunts - an old

rics and a ventriloquist friend away on a back street on the at his ear-biting worst, Ahmet is

At first, everything was as it should have been. "Shoes off, pounding administered by attendant. "Clothes off, here." said another. "You will lie down here," said Ahmet, the boss man, a moustache the size of a farmyard brush protruding from

I eased my body on to the hot marble slab. Within minutes I was like a piece of overdone haddock, the sweat streaming not prolonged. out of every pore, muscles turn-

mist. "You go massage - over looks as if it has been hewn out crew appeared through the fog. of Anatolian rock, and a A documentary on Istanbul demeanour befitting Mike Tyson

not one to be argued with.

Ahmet and his crack force of retired wrestlers takes about 15 minutes. For that length of time, it is just about bearable. When the final two slaps signal the end of the treatment you sigh with relief and attempt to stand on legs like overcooked spa-ghetti. The promise of a handsome tip ensures the agony is

Not so this time. In this crazy world it seems there is no escape from the intrusion of the media. There I was, gathering my limbs there." With a physique that together when a Japanese TV

was being made and a scene was

between the producer and Ahmet. My body, or what was left of it, became the focus of attention. As the only customer I was asked, or ordered, to become a lead actor in this steamy film. My protests were

The massage began again with a vengeance. Under the arc lights and whirling cameras. Ahmet, sensing a moment of movie glory, put in an Oscar-winning performance. My limbs were taken to places they had

never been before.

stilled by one steely look from

"Take Seven," said the assiduous Japanese. The soles of my feet were introduced to the back of my head. "Take Eight."

needed in a Turkish bath. Words Ahmet rested his ample foot on and cash were exchanged my chest and pulled an arm a good 2m out of its socket. I went into suspended animation. Some years ago Ankara pro-

tested to Tokyo over the Japa-nese use of the term "turkish bath" to describe mass lours of Ill repute. Anxious to settle the matter, Tokyo decreed that in future such establish for three days.

ments must go by the clean but "Clothes on here," said one
quaint name of "Soaplands". moustache. "Shoes on there," ments must go by the clean but quaint name of "Soaplands".

Perhaps I was about to become a star in some alarming Japanese sado-masochistic movie. Would friends in Japan recognise me? What if my colleagues at the patriarchate learned about my out-of-conference activities?

As I edged ever nearer to the eternal chasm I dreamt I was a

chicken with no feathers, pursued by a pack of salivating nasonry. Only when I rejoined the world did I realise Ahmet and his 17 stones were taking a stroll up and down my spine i could not cry out: my langs

Just in the nick of time, the cameras stopped and the lights were switched off. Someone clapped, the sound schoing through the hamam's arched caverns. It was an hour before I could stand and the limp lasted

said another.

I scurried back to the conference and the great schism checking along the way for from the sky, walking tentatively around manboles, on the aiert for exploding beer bottles.

Arcadia

Take a fatal walk on the wild side

Christian Tyler peruses the price list in a game reserve where guests shoot to cull: springbok \$275, lioness \$4,500

he crack of the rifle mark over the silent instant a solitary springbok, sistence farmers and create his at play. Among the attractions which had been picking its way across the opposite slope, jumped flash of white rump as it pirouetted behind a thorn bush, and dis-

slowly crossed the intervening tion. The springbok was eyes bright in death and his neck thrust forward. A small hole punctured one creamy flank just above the heart. From the other flank, crimson blood trickled into the red dust.

Who would kill a beautiful creature in the prime of its life? For the hunter who had flown thousands of miles and walked for hours through the bush to loose off a single bullet, it was a moment of elation - and relief. But for a growing army of animal lovers on the other side of the globe it would have been an act of wanton destruction.

On this estate in the southern Kalahari desert, 130km from Kuruman in the northern Cape. springbok are plentiful. They dance across the horizon at dawn, long chorus lines leaping over unseen hurdles. In the foreground herds of eland, kudu and oryx gallop past, nose to tail. A trio of ostriches sails over a dune ridge, sparrow-sized chicks scrambling between their legs. The exhibitionist kor-haan, a pheasant-like bird, rockets off the ground, simulates a heart attack and tumbles to earth in a flurry

Almost everything here has been reinstated. The owner, Stephen Boler, is a tough-minded, chain-smoking, self-made multimillionaire from Manchester in northern England, who now

spends most of his time in South hung like a question Africa. With 59m of his fortune and £3m from Philip Rigby, his (palatial huts), decorated with expanse of sand and business partner, Boler paid over scrub. At the same the odds to buy out 34 Boer sub- red dunes to watch the animals own utopia.

sharply to its left. There was a vately owned reserve in South born from a group of eight. Visithe animal management policy and a bird check-list on recycled The hunter and his tracker is unambiguous: shoot to cull.

200 yards. Beside a bleached log given over to wildlife breeding shampoo bottles, and that lay the answer to the rifle's ques- and eco-tourism. On the rest, kitchen waste is saved for comstretched out on the desert, his Americas are invited to pay to completely eco-friendly. bag surplus animals.

> Boler says he has no difficulty squaring his love of hunting with his passion for wildlife

As human populations expand, conservation means culling. In remote areas like this, where tourism is sparse and volatile, it can make sense to let rich foreigners pay some of the costs of conservation, by letting them do the shooting.

Although he does not shoot on his own place, Boler says he has no difficulty squaring his love of hunting, acquired when he was a Unilever trainee in west Africa, with his passion for wildlife, and especially for the endangered black rhino.

But he is no fool either. Many of his wealthy visitors have booked their safaris through 'green" tour operators. The two sides of the business he keeps strictly separate. "I'm not shy. I'm not ashamed of it," he said. "But people will get shyer. There's a tremendously strong anti-hunting lobby worldwide."

At Tswalu, eco-tourists are taken from luxurious rondavels African tribal art, out across the are rare roan and sable antelope Although it is the largest pri- and two baby black rhinos, newly Africa, land is not limitless. And tors are given an animal guide here, as in many parts of Africa, paper. A letter from the management assures them that no CFC Most of the 210,000 acres are aerosols are used, nor plastic hunters from Europe and the post. "Our cleaning products are

A few miles away, approached by a different road from Boler's private airstrip and well out of range of the eco-tourists, is the hunting ground, Tarkuni Estates. Here, a big new lodge is being built with its back to the hills and a long westward view over the desert. The glossy brochure claims "the ultimate African hunting experience" with "more species to hunt than any other game lodge in Africa".

It costs US\$275 to bag a springbok, in addition to the cost of food, lodging and the services of a professional bunter. The trophy menu includes most of the big antelope, but also jackal at \$75 a head, ostrich at \$300, giraffe at \$2,950, roan at \$6,500. A lioness, when available, is \$4,500 and a buffalo \$6,000. Last year, Boler advertised a female white rhino which was past childbearing: he got \$35,000 for it.

"It's very hard to explain to someone who is against hunting how that can play a part in conservation," said Boler. "There's no point saying I'll shoot an old bull elephant (there are no elephant yet at Tswalu), because it's ing businesses. He flies in a Falgoing to die anyway and the money goes back into preservation. You can't explain to them that the enjoyment is not in the

kill, it's in the hunt." Boler aims to make his estate



viable, but not to recoup his investment. At present, trophy hunting brings in more than tourism, but the biggest income comes from breeding rare species and selling the surplus to other reserves. (At auction, a diseasefree Cape Buffalo cow currently fetches R150,000, or £20,000.)

As a businessman, Boler is used to controversy - even if he doesn't always relish it. Beginning in car tyres and exhausts, he has amassed a fortune of around £100m creating and sellcon jet with gold-plated seat belt buckles. He owns part of Man-chester City football club. His last coup was the reported £50m he banked from the controversial

flotation 15 months ago of Lime-

light, his kitchens and bathrooms

After the float at 175p the company seemed to lose control and the share price collapsed, reaching a low of 27%p and now hovering around 33p. Although Boler had disengaged from daily management two years before in order to spend time setting up his African idyll, investors were not amused. Still the largest shareholder, the company's founder has been obliged to reassert his presence - albeit at a distance and underwrite an increased company overdraft from the Royal Bank of Scotland.

verandah with the desert behind

him. "Limelight is a great business, but just about everything that could go wrong did go wrong. I'm not to blame but I feel

a moral obligation." As for the morality of shooting to cull, Boler's conscience is untroubled. What looks cruel to the town looks normal to the country. What is taboo in New York or London seems common sense in the Kalahari.

The Humane Society of the United States has lobbied Congress in the hope of blocking US aid to projects in Africa where trophy culling is practised. "We consider it animal cruelty in its "It's been the most embarrass-ing situation I've ever been a vice-president, "even if it is for involved in," he said, sitting on a conservationist ends. Too often the revenue doesn't even go to

the people on the ground. But conservation groups are, broadly speaking, allies. Julius Koen of the northern Cape Nature Conservation Service. who has visited Tswalu, described it as "very well planned". Boler, he added, was a determined man, but one who lis-

tened to advice. Even the British arm of the Worldwide Fund for Nature makes no bones about what it calls "the consumptive use of wildlife" provided there is no obvious alternative, that it benefits the locals, is sustainable, scientific and involves no cruelty.

Meanwhile, for good or ill, the head of the springbok will look very fine, stuffed and mounted. on my wall.

f you were invited to one of Bunny Roger's notorious parties at his large and luxurious London mansion, the dress code was generous and inventive. But however bizarre your outfit, however long your boa, it was almost inescapable

that your host would make you

feel slightly shabby. For his 70th birthday bash in 1981, he wore a mauve catsuit with an exotic egret feather headdress. For his 80th, he made an entrance through smoke and flames wearing a catsuit of coloured sequins, with a bright organza cape and a large collar of black fur. Unfortunately, he died early last year while still planning his 90th anniversary, to be fitted round the theme of the haunted ballroom.

But to older friends of Bunny, and his devoted brothers, Alan and Sandy, these birthday binges were tame affairs. They remembered the old New Year's Eve parties in Walton Street, espe-cially the much talked about fetish party, where men in high heels and bondage straps dragged their women around on chains.

The Roger brothers were, of course, accepted everywhere, liked and respected for their wit. their sophistication, and their

Metropolis The sale of a style

Quick-witted and exotic, the Roger brothers were accepted everywhere. Antony Thorncroft reports

generosity. During the season, and at Christmas, the fun shifted to Scotland, to the remote 30,000acre estate at Dundonnell, near Ullapool, bought in the 1950s with a sudden windfall: some family shares, which had laid dormant in New York since the Great Depression, suddenly spiralled in value.

The Rogers are about to enter the public domain because later this month more than 1,500 objects that they acquired to furnish their London and Scottish homes come up for auction at Sotheby's. Each brother had his own collecting field - Alan bought Chinese furniture and works of art, and patronised contemporary potters, such as Lucie Rie and Hans Coper, as well as young Scottish artists. Stolid Sandy favoured Victorian works

of art, while Bunny liked any-

tained in style. Highland dress was de rigueur and any guest arriving in musti was soon kilted out. In fact, it was perhaps a mis-take to bring your own clothes. One lady arrived late at dinner with the excuse, "I didn't know whether to dress up or to dress down". Bunny gave her a withering look and asked, "Well, which did you decide?"

The Roger brothers carried into the 1990s a lifestyle which is best captured in the early novels of Evelyn Waugh and Ronald Fir-bank. They lived to please, themselves and others, and could well afford to do so. They were the sons of Sir Alexander and Helen Roger who, with extraordinary generosity and forbearance, accepted the fact that their boys were not like most other men.

out of different clay - born into warm relations with the boys,

gence he succeeded in making a fortune from telecommunications. He sowed; his sons reaped; and within a century a fortune passed through the hands of the family. There were naturally no heirs, not even remote relatives. The Roger millions, including Dundonnell, which has just been sold for £3m, has passed to employees, in particular the Chinese servants of Alan, and the last brother to die.

ir Alexander had tried to bribe some beef into his lads, promising Bunny a present of his choice if he made the 15 at Loretto, the notoriously tough Scottish school, chosen to chivvy up the children. Bunny made the team and asked for a doll's house. Sir Alexander Sir Alexander had been hewn and Lady Roger maintained At Dundonnell, the cream of barefoot poverty in Aberdeen and, in a way, their faith was tweeds. Never!"

the local aristocracy were enter- shire. By industry and intelli- justified. The youngest son, Sandy, was directed towards the family business, and died first. He is remembered as a quietly spoken, whisky and tweeds, Scot-

> The eldest son Alan fell in love with the Orient, where he worked for the government in Hong Kong, and with gardening, pioneering the bonsai tree in

tish gentleman.

But it was Bunny who set the tone, a familiar figure as he strode through Kensington in gay Edwardian-styled suits and full make-up. He boasted that his waist measurement was the same as that of Diana, Princess of Wales, and he remained a dandy to the last. Once, as he stepped out of a taxi powdering his nose, the driver could not resist saying, "Watch out, you've dropped your diamond necklace, love." Bunny was unphased: "Diamonds with

Like all the brothers, he never quite overstepped the mark.

While the earlier generation of Bright Young Things embraced drugs, fascism and ennui. Bunny, although sent down from Oxford for homosexual provocation, found a happy and productive niche as a dress designer, on money advanced by his father. His insouciance came into its

own in 1944 as an officer in the Rifle Brigade, charged with chasing the Germans out of Italy. He went into battle well rouged. warmed by a chiffon scarf, and brandishing a copy of Vogue. He also found time to rescue a wounded soldier from no-man's-

Many of the brothers' material possessions, like the dormant shares, have appreciated remarkably because the brothers bought what caught their fancy rather than what the age ordained. The most expensive lot, likely to

exceed £70,000, is a set of 12 dining chairs made to furnish Windsor Castle in the "new" Gothic style of around 1810. Queen Mary had them removed in the 1920s. and the Rogers snapped them

Grand chandeliers, anything in silver gilt, Gothic cabinets, carved stags - all the objects despised by postwar taste were snaffled up by the Rogers. Sometimes, Bunny's imagination stretched beyond antiques; he got Elizabeth Eaton to design a set of 12 ebonised dining chairs, covered with cow hide, to seat his

Now this exotic lifestyle is to at least £1.5m for the Rogers' faithful staff. For just £500, you can acquire the "Wall of Fire" catsuit and ensure that Bunny Rogers' style continues, at least in spirit

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